

FLORIDA 2011

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2011



JEFF ATWATER | CHIEF FINANCIAL OFFICER  
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

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Special appreciation is given to all fiscal and accounting personnel throughout the State of Florida who contributed financial information for their agencies and component units.

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Department of Financial Services.

**STATE OF FLORIDA**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2011



**Rick Scott  
GOVERNOR**

**Jeff Atwater  
CHIEF FINANCIAL OFFICER**

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2011**

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# **INTRODUCTORY SECTION**



CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
STATE OF FLORIDA

January 25, 2012

Citizens of the State of Florida  
The Honorable Rick Scott, Governor  
The Honorable Mike Haridopolos, President of the Senate  
The Honorable Dean Cannon, Speaker of the House of Representatives

To the Citizens of Florida, Governor Scott, President Haridopolos, and Speaker Cannon:

I am pleased to submit the State of Florida's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011, in accordance with Section 216.102(3), Florida Statutes (F.S.). This report is prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The concept of reasonable assurance ensures that the costs do not exceed the benefits derived.

The Auditor General has issued an opinion on the state's financial statements for the fiscal year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE STATE**

Florida's Constitution divides the governmental structure of the state into three independent branches. The Legislative Branch has exclusive lawmaking power for the state. The Executive Branch, consisting of the Governor, Cabinet, and their agencies, administers the laws made by the Legislature. The Governor shares executive power and responsibility with the Cabinet, which is composed of the Attorney General, Chief Financial Officer, and Commissioner of Agriculture. The Judicial Branch interprets the law and applies the Constitution. The organizational chart following this letter provides an overview of the state's structure. Florida's government provides a range of services to its citizens including education, health and family services, transportation, law and corrections, natural resources and environmental protection.

The financial reporting entity of the state includes the primary government as well as component units for which the state is either financially accountable or a relationship exists with the state such that exclusion would cause the financial statements to be misleading or incomplete. Refer to Note 1 to the financial statements for a listing of Florida's component units and the Financial Section of the report to obtain an overview of their financial positions.

Florida's budget is prepared using the processes set forth in Chapter 216, F.S. The major phases of the budget process are detailed in the Other Required Supplementary Information Section of this report. Florida law strictly prohibits overspending and requires budgetary control to be maintained at the individual appropriation account level.

## ECONOMIC CONDITION

Florida was deeply affected by the national and global economic recessions, but was turning the corner and consistently posting year-over-year growth on key measures of economic performance prior to the international and national shockwaves experienced over the summer.

Leading up to these events, the Florida Legislature's Office of Economic and Demographic Research (EDR) indicated that Florida's economic growth returned to positive territory after declining for two years. Florida's Gross Domestic Product in 2010 showed real growth of 1.4 percent, and the state's population growth was strengthening. On a more real-time measure, Florida showed positive quarterly growth in personal income from the fourth quarter of the 2009 calendar year through the second quarter of the 2011 calendar year, moving Florida ahead of the national growth rate of 1.1 percent in the second quarter of 2011. In response to all of this, the state's revenue collections were growing over the prior year.

The state also reached its twelfth consecutive month of positive year-over-year job growth in September 2011, after losing jobs for three years. However, across-the-board strengthening has yet to occur. Typical economic recoveries are led by increases in lending and housing construction. Since the housing and credit markets are still sluggish, Florida's recovery is coming from other sectors.

Bringing some of these gains to a temporary halt, EDR reported the Eurozone debt crisis led to banking instability with spillover effects on the global credit market. As a result, tighter credit conditions and reduced exports and corporate earnings will be experienced in the United States. These problems were exacerbated by the national debt ceiling crisis and related downgrade of national debt by Standard & Poor's, federal budget deficit discussions and potential automatic cuts - all causing consumer confidence to plummet in August to near the lowest level of the Great Recession which negatively affected Florida's sales tax collections.

EDR feels the long-lasting housing market correction, historic levels of foreclosure activity, and still sluggish credit conditions will remain the predominant drags on Florida's economy in the near-term. All of these factors will continue to slow recovery, regardless of what happens in the Eurozone and with the national debt crisis. EDR expects that it will take years to fully regain the losses experienced in America's worst recession since the Great Depression. In this regard, improvement in several vital areas will lag well behind Florida's early phases of economic recovery.

The Florida Governor and Legislature made difficult budgetary decisions that contributed to Standard & Poor's revising their outlook from negative to stable on their AAA rating of Florida's general obligation debt. Standard & Poor's referenced their "view of an improved revenue environment and a fiscal 2012 budget that is structurally balanced and improves reserve funding levels" as a basis for their revised outlook.

Even with these measures, the constitutionally required Long-Range Financial Outlook shows that the expected minimum budget gap in fiscal year 2012-13 will approach just over \$1.0 billion when projections are updated with the most recent estimates. After additional priorities are included for the Florida Senate and House of Representatives, the potential gap widens significantly. The Long-Range Financial Outlook also identifies potential obligations of the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation as significant risks to the forecast. Refer to Note 14 to the financial statements for additional information related to the state's insurance enterprises.

## ACKNOWLEDGEMENTS

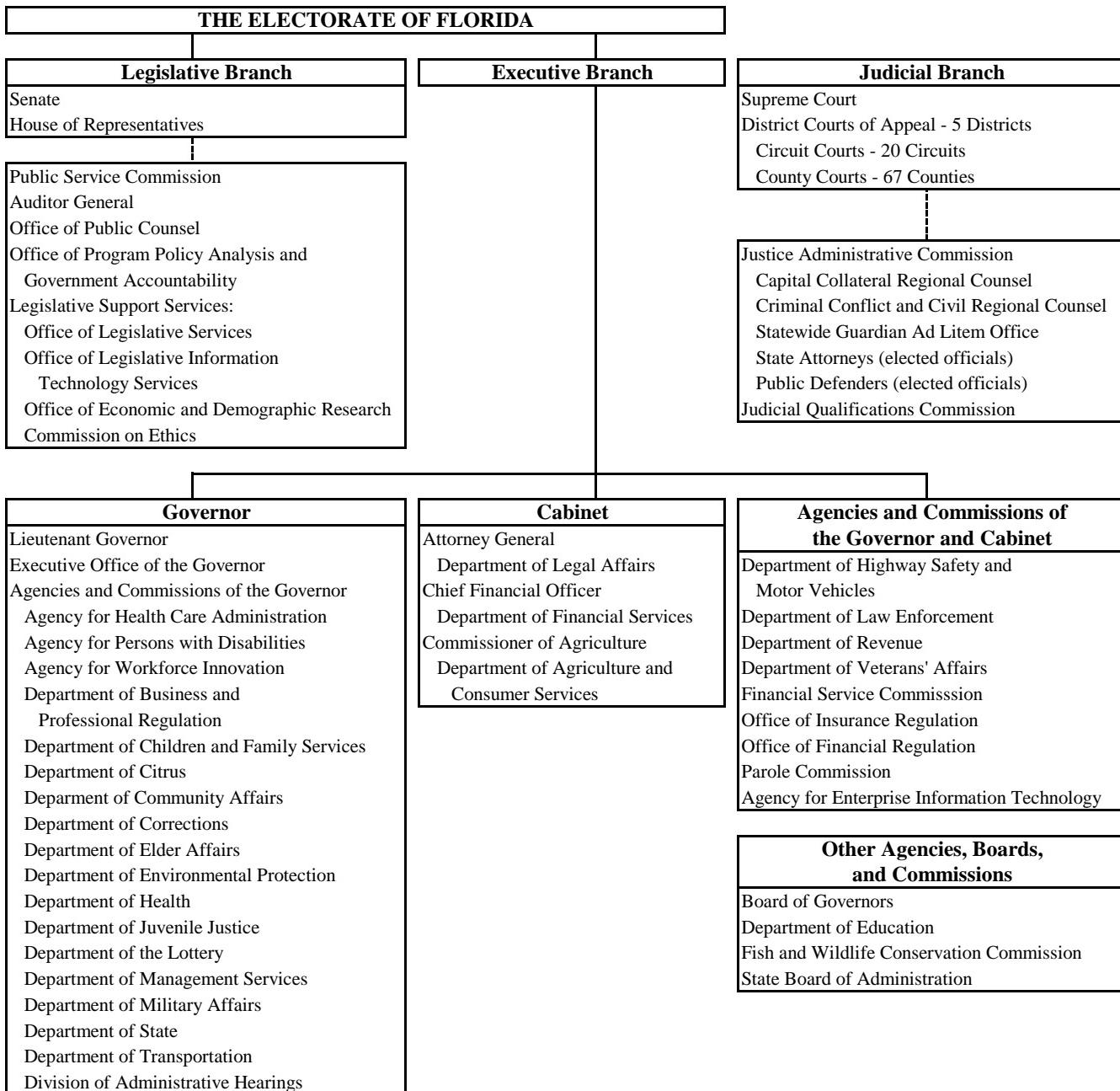
Preparation of the CAFR requires a significant investment of time and resources of fiscal and accounting personnel throughout the state. Their contributions are appreciated.

Sincerely,



Jeff Atwater  
Chief Financial Officer

## ORGANIZATION AT JUNE 30, 2011



## PRINCIPAL OFFICIALS AT JUNE 30, 2011

### Legislative Branch

Senate  
Mike Haridopolos, President  
House of Representatives  
Dean Cannon, Speaker

### Executive Branch

Rick Scott, Governor  
Jennifer Carroll, Lieutenant Governor  
Cabinet
 

- Pam Bondi, Attorney General
- Jeff Atwater, Chief Financial Officer
- Adam Putnam, Commissioner of Agriculture

### Judicial Branch

Charles T. Canady, Chief Justice

# **FINANCIAL SECTION**



DAVID W. MARTIN, CPA  
AUDITOR GENERAL

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The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida as of and for the year ended June 30, 2011, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit the financial statements of:

- ◆ The Prepaid College Program Fund, which is a major enterprise fund and represents 35 percent and 6 percent, respectively, of the assets and revenues of the business-type activities.
- ◆ The Florida Turnpike System, which represents 94 percent and 93 percent of the assets and revenues, respectively, of the Transportation major enterprise fund.
- ◆ The Hurricane Catastrophe Fund, which is a major enterprise fund and represents 31 percent and 14 percent, respectively, of the assets and revenues of the business-type activities.
- ◆ The College Savings Plan and the trust funds maintained by the State Board of Administration to account for the investments of the Florida Retirement System and the Public Employee Optional Retirement Program, which collectively represent 88 percent of the assets and 49 percent of the revenues/additions of the aggregate remaining fund information.
- ◆ The Florida Legislature, which represents less than two percent of the assets and less than one percent of the revenues of the General Fund.
- ◆ The Florida Finance Housing Corporation, Citizens Property Insurance Corporation, component units related to the State's universities and community colleges, and certain other funds and entities that, in the aggregate, represent 67 percent and 45 percent, respectively, of the assets and revenues of the discretely presented component units.

Financial statements for the above funds and entities were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for these funds and entities, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State

of Florida, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

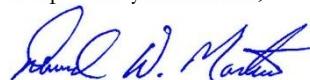
In accordance with *Government Auditing Standards*, we have also issued our report, dated January 25, 2012, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit. That report will be included as part of our separately issued report entitled *State of Florida, Compliance and Internal Controls Over Financial Reporting and Federal Awards*.

As discussed in Note 1 I. to the financial statements, the State has implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Accounting principles generally accepted in the United States of America require the accompanying management discussion and analysis, on pages 12 through 17, and the budgetary information, the funding and contribution information for pension and other postemployment benefits, and information on infrastructure using the modified approach, on pages 148 through 159, to be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The supplementary information - introductory section on pages 6 through 8, combining statements and individual fund statements and related budgetary comparison schedules on pages 163 through 239, and the statistical section on pages 243 through 273, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining statements and individual fund statements and related budgetary comparison schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the combining statements and individual fund statements and related budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



David W. Martin, CPA  
January 25, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The information contained in the Management's Discussion and Analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the State of Florida's (the state's) financial activities and performance for the fiscal year ended June 30, 2011 (fiscal year 2010-11). Please read the MD&A in conjunction with the state's financial statements that are presented in the Financial Section of this Comprehensive Annual Financial Report (CAFR).

### Financial Statements Overview

The state's basic financial statements are comprised of the following elements:

#### ***Government-wide Financial Statements***

Government-wide financial statements provide both long-term and short-term information about the state's overall financial condition. Changes in the state's financial position may be measured over time by increases and decreases in the Statement of Net Assets. Information on how the state's net assets changed during the fiscal year is presented in the Statement of Activities. Financial information for the state's component units is also presented.

#### ***Fund Financial Statements***

Fund financial statements for governmental and proprietary funds focus on individual parts of the state, reporting the state's operations in more detail than the government-wide financial statements. Fund financial statements for fiduciary funds are also included to provide financial information related to the state's fiduciary activities.

#### ***Notes to the Financial Statements***

Notes to the financial statements provide additional information that is essential to the full understanding of the government-wide and fund financial statements. Refer to Note 1 to the financial statements for more information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

**Table 1: Major Features of the Basic Financial Statements**

	<b>Government-wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire state government (except fiduciary funds) and the state's component units	Activities of the state that are not proprietary or fiduciary	Activities of the state that are operated similar to private businesses	Instances in which the state is the trustee or agent for someone else's resources
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses, and changes in net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> <li>• Revenues for which cash is received during or soon after the end of the year</li> <li>• Expenditures when goods or services have been received and payment is due during the year or soon thereafter</li> </ul>	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

## Condensed Government-wide Financial Statements and Overall Financial Analysis

### **Statement of Net Assets**

Table 2 below presents the state's Condensed Statement of Net Assets as of June 30, 2011, and 2010, derived from the government-wide Statement of Net Assets. The assets of the state exceeded its liabilities (net assets) at the close of the fiscal year by \$50.5 billion for governmental activities and by \$10.5 billion for business-type activities, for a combined total of \$61.0 billion for the primary government. The three components of net assets include invested in capital assets, net of related debt; restricted; and unrestricted. The largest component, totaling \$62.4 billion as of June 30, 2011, reflects investment in capital assets, net of related debt. The state uses these capital assets to provide services to the citizens and businesses in the state; consequently, these net assets are not available for future spending. Restricted net assets are the next largest component, totaling \$13.1 billion as of June 30, 2011. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental activities reflect a negative or deficit unrestricted net asset balance of \$15.1 billion at June 30, 2011. This deficit primarily results from education-related bonds for which the state is responsible for the liability while the related assets are owned by local school districts and are therefore not included in the state's financial statements. Refer to Note 8 to the financial statements, Governmental Activities – Unrestricted Net Asset Deficit, for more information.

Business-type activities reflect an unrestricted net asset balance of \$549 million at June 30, 2011. The decrease in the unrestricted net asset balance over that reported in prior years is explained in the Major Fund Analysis, Proprietary Funds section that follows.

**Table 2: Condensed Statement of Net Assets**

**As of June 30**

(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 21,953	\$ 22,152	\$ 26,390	\$ 25,142	\$ 48,343	\$ 47,294
Capital assets, net	61,357	60,222	8,179	7,860	69,536	68,082
Total assets	83,310	82,374	34,569	33,002	117,879	115,376
Other liabilities	8,138	8,688	5,535	4,755	13,673	13,443
Noncurrent liabilities	24,710	24,436	18,566	19,510	43,276	43,946
Total liabilities	32,848	33,124	24,101	24,265	56,949	57,389
Net assets:						
Invested in capital assets,						
net of related debt	57,100	56,936	5,256	4,910	62,356	61,846
Restricted	8,479	8,154	4,663	3,213	13,142	11,367
Unrestricted	(15,117)	(15,840)	549	614	(14,568)	(15,226)
Total net assets	<b>\$ 50,462</b>	<b>\$ 49,250</b>	<b>\$ 10,468</b>	<b>\$ 8,737</b>	<b>\$ 60,930</b>	<b>\$ 57,987</b>

### Statement of Activities

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2010-11 and fiscal year 2009-10, as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the state's financial position is improving or deteriorating. The state's total net assets increased during the fiscal year by \$2.9 billion. The net assets of governmental activities increased by \$1.2 billion and the net assets of business-type activities increased by \$1.7 billion. The majority of the increase in total program expenses for governmental activities relates to a \$1.5 billion increase in Education expenses and a \$1.3 billion increase in Human Services expenses, while the decrease in business-type activities expenses is primarily due to a \$1.9 billion decrease in Unemployment Compensation expenses and an \$800 million decrease in Prepaid College Program expenses. Refer to the Major Fund Analysis section for information regarding the overall increase in revenues from governmental activities.

**Table 3: Condensed Statement of Activities  
For the Fiscal Year Ended June 30**  
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charges for services	\$ 7,382	\$ 7,263	\$ 8,988	\$ 9,522	\$ 16,370	\$ 16,785
Operating grants and contributions	27,921	26,832	3,864	5,454	31,785	32,286
Capital grants and contributions	2,059	1,974	.....	6	2,059	1,980
Total program revenues	<u>37,362</u>	<u>36,069</u>	<u>12,852</u>	<u>14,982</u>	<u>50,214</u>	<u>51,051</u>
General revenues and payments						
Sales and use tax	17,822	17,102	.....	.....	17,822	17,102
Other taxes	11,569	11,422	.....	.....	11,569	11,422
Investment earnings (loss)	369	555	4	10	373	565
Emergency assessments	.....	.....	387	329	387	329
Total general revenues and payments	<u>29,760</u>	<u>29,079</u>	<u>391</u>	<u>339</u>	<u>30,151</u>	<u>29,418</u>
Total revenues	<u>67,122</u>	<u>65,148</u>	<u>13,243</u>	<u>15,321</u>	<u>80,365</u>	<u>80,469</u>
Program expenses						
General government	6,830	6,883	.....	.....	6,830	6,883
Education	20,424	18,947	.....	.....	20,424	18,947
Human services	29,041	27,692	.....	.....	29,041	27,692
Criminal justice and corrections	4,535	4,448	.....	.....	4,535	4,448
Natural resources and environment	2,339	2,588	.....	.....	2,339	2,588
Transportation	3,614	3,177	386	383	4,000	3,560
State courts	435	427	.....	.....	435	427
Lottery	.....	.....	2,865	2,748	2,865	2,748
Hurricane Catastrophe Fund	.....	.....	236	362	236	362
Prepaid College Program	.....	.....	692	1,523	692	1,523
Unemployment Compensation	.....	.....	5,743	7,657	5,743	7,657
Nonmajor enterprise funds	.....	.....	269	265	269	265
Indirect interest on long-term debt	7	19	.....	.....	7	19
Total program expenses	<u>67,225</u>	<u>64,181</u>	<u>10,191</u>	<u>12,938</u>	<u>77,416</u>	<u>77,119</u>
Excess (deficiency) before gain (loss) and transfers	(103)	967	3,052	2,383	2,949	3,350
Gain (loss) on sale of capital assets	(3)	(60)	(3)	(2)	(6)	(62)
Transfers	<u>1,318</u>	<u>1,353</u>	<u>(1,318)</u>	<u>(1,353)</u>	<u>.....</u>	<u>.....</u>
Change in net assets	<u>1,212</u>	<u>2,260</u>	<u>1,731</u>	<u>1,028</u>	<u>2,943</u>	<u>3,288</u>
Beginning net assets	<u>49,250</u>	<u>47,124</u>	<u>8,737</u>	<u>7,709</u>	<u>57,987</u>	<u>54,833</u>
Prior period adjustments	.....	(134)	.....	.....	.....	(134)
Ending net assets	<u>\$ 50,462</u>	<u>\$ 49,250</u>	<u>\$ 10,468</u>	<u>\$ 8,737</u>	<u>\$ 60,930</u>	<u>\$ 57,987</u>

## Major Fund Analysis

### Governmental Funds

The state's governmental funds report combined ending fund balance of \$13.9 billion at June 30, 2011, a \$194 million or 1.4 percent increase from the prior year. Revenues increased by \$2.7 billion or 4.2 percent, other financing sources declined by \$792 million or 25.7 percent and expenditures increased by \$2.5 billion or 3.8 percent. Overall increases in revenue, as well as expenditures, were attributable primarily to federal grants from the American Recovery and Reinvestment Act and rising costs for health care and food stamps. Information is provided below regarding major funds with significant variances relative to the prior year.

**General Fund** – Fund balance at June 30, 2011, totaled \$3.6 billion, a decrease of \$543 million or 13.0 percent. Revenues and other financing sources increased \$935 million or 3.5 percent predominantly due to increased sales and use taxes. Expenditures and other financing uses increased \$2.3 billion or 8.7 percent from the prior year. Significant expenditure increases were made in the following areas: education - \$1.1 billion and human services - \$1.1 billion.

**Health and Family Services** – Fund balance at June 30, 2011, totaled \$2.2 billion, an increase of \$958 million or 74.4 percent. Revenues and other financing sources increased \$1.2 billion or 4.9 percent primarily due to additional grants and donations revenues for funding as a result of increased costs for health care and food stamps. Expenditures and other financing uses increased \$527 million or 2.2 percent primarily due to continued increases in current expenditures for health care and food stamps.

**Transportation** – Fund balance at June 30, 2011, totaled \$1.4 billion, an increase of \$348 million or 31.8 percent. Expenditures decreased \$198 million or 4.0 percent primarily due to a decrease in capital outlay for highway construction, and operating transfers out decreased \$261 million, or 32.5 percent.

### Proprietary Funds

The state's proprietary funds report combined ending net assets of \$10.5 billion at June 30, 2011, of which \$5.3 billion is invested in capital assets, net of related debt, and \$4.7 billion is restricted for specific purposes. The remaining \$549 million was unrestricted and available for purposes of the various funds. Information is provided below regarding major funds with significant variances relative to the prior year.

**Hurricane Catastrophe Fund** – Net assets at June 30, 2011, totaled \$4.7 billion, an increase of approximately \$1.5 billion or 46.4 percent. The increase in net assets remained consistent with the increase in prior year as year-over-year results of operations were consistent at \$1.2 billion of operating income. Net premium revenues and other operating revenues remained consistent with the prior year and the fund did not incur any hurricane losses. See Note 14 to the financial statements for additional information on this fund.

### General Fund Budget Variances

Budgeted expenditures are based on revenues estimated by the Revenue Estimating Conference and other sources. Original expenditures are budgeted for less than total expected available resources. There was a \$374 million decrease between the original and final estimated revenues. Because of the lower estimated revenues, final budgeted total expenditures decreased by \$212 million from the original budget. Variances between the original and final budget or between the final budgeted and actual amounts are not expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the Budgetary Comparison Schedule for the General Fund in the Other Required Supplementary Information section of the CAFR.

### Capital Asset and Long-term Debt Activity

#### Capital Asset Activity

At June 30, 2011, the state reported \$61.4 billion in net capital assets for governmental activities and \$8.2 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2009-10 to fiscal year 2010-11 by approximately two percent. The increase is consistent with prior years and primarily due to land acquisition and the capitalization of construction costs for infrastructure projects. Capitalized infrastructure projects include additions to and/or enhancements of roadways and bridges on the state's highway system. Construction commitments by the Florida Department of Transportation were approximately \$6.1 billion. Construction commitments by other state

agencies for major projects including office buildings and correctional facilities decreased by \$384 million compared to the prior year. Refer to Note 5 to the financial statements for information on capital assets and Note 7 to the financial statements for information on construction commitments.

### **Long-term Debt Activity**

The state maintained its credit ratings during the past year. Total bonded debt outstanding decreased by \$125 million, or approximately less than 1 percent, from the prior fiscal year to a total of \$30.1 billion at June 30, 2011. The majority of the outstanding debt serves to finance educational facilities (\$16.4 billion), the Florida Hurricane Catastrophe Fund (\$5.4 billion) and transportation infrastructure (\$5 billion). New bonded debt issues for 2011 totaled \$2.5 billion. Annual debt service payments on net tax-supported debt totaled \$2.2 billion for 2011, an increase of \$109 million from the prior year. Annual debt service payments are projected to decrease from \$2.2 billion to \$2.0 billion over the next three years, based on project bond issuance.

Standard & Poor's rating was AAA with its outlook changed from negative to stable, Fitch Rating was AAA with a negative outlook and Moody's Investors Services rating was Aa1 with stable outlook. The State's benchmark debt ratio of debt service to revenues available to pay debt service has increased over the past year from 7.39 percent for fiscal year 2010 to 7.46 percent for fiscal year 2011. The slight increase in the benchmark debt ratio is due to the offsetting effects from increased debt service and improved revenue collections. The projected benchmark debt ratio is expected to exceed the 7 percent cap through 2013 based on existing borrowing plans and August 2011 revenue forecasts. The benchmark debt ratio could increase further if revenues do not grow as anticipated or additional debt is authorized.

Section 11 of Article VII of the State Constitution authorizes the state to issue general obligation bonds or revenue bonds to finance or refinance fixed capital outlay projects authorized by law. General obligation bonds are secured by the full faith and credit of the state and payable from specified taxes. Revenue bonds are payable solely from specified revenues. The responsibility to issue most state bonds rests with the Division of Bond Finance of the State Board of Administration. However, certain quasi-governmental entities also incur debt and are reported as part of the primary government. See the *State of Florida 2011 Debt Affordability Report* for more detailed information about the state's debt position. The report can be found at [www.sbafla.com/bond](http://www.sbafla.com/bond) or by contacting the Division of Bond Finance, 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida 32308, (850) 488-4782. Additional information on long-term debt is also found in Notes 8, 9, and 10 to the financial statements and the Statistical Section of this report.

### **Infrastructure Accounted for Using the Modified Approach**

The state elected to use the modified approach to account for roadways and bridges of the State Highway System. Under this approach, the Florida Department of Transportation (FDOT) committed to maintain these assets at levels established by FDOT and approved by the Florida Legislature. No depreciation expense is reported for these assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. FDOT maintains an inventory of these assets and performs periodic assessments to establish that predetermined condition levels are being maintained. The condition assessments performed during fiscal year 2010-11 show that the roadways and bridges of the State Highway System are being maintained at or near FDOT standards. These condition assessments were consistent with condition assessments conducted during the last two years. In addition, FDOT makes annual estimates of the amounts that must be expended to maintain the roadways and bridges included on the State Highway System at the predetermined condition levels. These estimates are based on the FDOT five-year plan that is changed as projects are added, deleted, adjusted, or postponed.

Refer to the Other Required Supplementary Information of the CAFR for information on FDOT's established condition standards, recent condition assessments, and other information on infrastructure reported on the modified approach.

### **Economic Factors**

General fund tax collections for the fiscal year ended June 30, 2011, were 3.9 percent higher than the prior fiscal year. In a reversal from the past few years, the growth came from gains in virtually all of the major sources supporting the general fund. Even sales tax revenue – the state's primary source of general revenue – more than offset its prior year decline of 2.6 percent by growing 4.8 percent in Fiscal Year 2010-11 over Fiscal Year 2009-10. While the economic recovery was modest with only limited gains in employment and personal income, it was clearly underway by the end of the fiscal year. However, revenue collection levels were still sharply lower across-the-board than the 2005-06 peak collection year.

Several revenue sources have closely tracked the ebb and flow of the state's overall economic conditions. Among them, documentary stamp and intangibles tax collections largely rely on activity in the state's real estate market. Since the end of the housing boom in 2005-06, Florida's growing inventory of unsold homes and looming foreclosures have delayed any meaningful recovery in the real-estate market. Five years later, this continues to be true. Both statewide existing home sales and median sales price for existing homes have drifted slightly downwards over the past year, registering -1 percent and -0.3 percent declines respectively. The picture was slightly improved for private housing starts and refinancing, allowing overall documentary stamp taxes – and therefore the distribution to the general fund – to grow 6.9 percent over a base from the prior year that was the lowest since 1997-98. The intangibles tax, which entirely benefits the general fund, followed a similar pattern, posting a 3.1 percent gain over the prior year.

Almost divorced from an economy still struggling to achieve a sustainable recovery, national corporate profits continued to be in record-breaking territory in Fiscal Year 2010-11, and the state's corporate income tax collections have followed this direction if not the magnitude. While still considerably below peak total receipts, Florida's corporate income tax collections grew 5.3 percent over the past year. Also related to general business activity, corporate filing fees posted a 14.9 percent gain over the prior year.

Several sources comprise a small percentage of the total general fund, but had strong growth rates over the prior year. Among these smaller sources, earnings on investments posted 14.8 percent growth and pari-mutuel taxes had 18.2 percent growth. Other notable increases were in sources continuing to benefit from legislative changes enacted in prior years: tobacco taxes which include an additional surcharge enacted by the 2009 Legislature, highway safety licenses and fees which are still benefitting from 2009 legislative actions to increase and redirect fees into the general fund, and service charges which were increased by the 2009 Legislature. Overall, the general fund outperformed the class of all governmental funds. Total revenues for all governmental funds increased by only \$2.7 billion or 4.2 percent.

At the end of the 2010-11 fiscal year, overall collections were \$139.1 million above the estimate made by the state's Revenue Estimating Conference in March 2011. Although financial shockwaves from adverse international and national events over the summer have since darkened the outlook going forward, the most recent projections by state economists indicate that general revenue collections for the fiscal year ending June 30, 2012, will be \$689.9 million higher than last year to produce a 3.1 percent growth rate. As a buffer against any further financial shocks, the latest General Revenue Outlook shows that there will be nearly \$994 million in unallocated general revenue remaining at the end of the current fiscal year. The state's major reserve for emergencies, the Budget Stabilization Fund, holds \$279.2 million at June 30, 2011, and will increase to \$493.6 million at June 30, 2012. The anticipated increase is related to the scheduled first repayment of the funds transferred to the general fund (\$1.07 billion in total). Refer to Note 1K., for additional information on the Budget Stabilization Fund.

#### **Contact the State's Financial Management**

Questions about this report or requests for additional financial information may be addressed to:

Department of Financial Services  
Bureau of Accounting  
Statewide Financial Reporting Section  
200 East Gaines Street  
Tallahassee, Florida 32399-0354  
(850) 413-5511

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**FINANCIAL  
SECTION:  
BASIC FINANCIAL  
STATEMENTS**

**2011 STATE OF FLORIDA CAFR**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2011**

(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 356,913	\$ 93,553	\$ 450,466	\$ 4,139,326
Pooled investments with State Treasury	10,916,512	1,182,805	12,099,317	2,867,255
Other investments	1,646,522	20,861,710	22,508,232	19,007,981
Receivables, net	4,747,427	1,192,493	5,939,920	1,951,536
Internal balances	415,032	(415,032)	.....	.....
Due from component units/primary	3,264	1,839	5,103	829,336
Inventories	59,527	5,050	64,577	67,381
Restricted cash and cash equivalents	.....	17,164	17,164	507,875
Restricted pooled investments with State Treasury	.....	41,546	41,546	587,361
Restricted investments	.....	1,720,469	1,720,469	2,068,687
Advances to other entities	921,909	.....	921,909	.....
Loans and notes receivable, net	2,879,473	1,647,169	4,526,642	3,667,199
Other assets	6,967	41,280	48,247	877,051
Capital assets, net	61,356,925	8,179,293	69,536,218	21,222,963
Total assets	83,310,471	34,569,339	117,879,810	57,793,951
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	2,534,053	1,230,934	3,764,987	3,137,501
Due to other governments	.....	12,310	12,310	.....
Due to component units/primary	37,169	116	37,285	235,784
Deferred revenue	.....	38,378	38,378	615,308
Obligations under security lending agreements	1,773,410	2,243,988	4,017,398	.....
Long-term liabilities				
Due within one year	3,793,814	2,009,042	5,802,856	3,489,608
Due in more than one year	24,710,270	18,566,523	43,276,793	12,784,490
Total liabilities	32,848,716	24,101,291	56,950,007	20,262,691
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	57,100,033	5,256,229	62,356,262	17,719,992
Restricted for				
Environment, Recreation and Conservation	2,359,437	.....	2,359,437	.....
Public Education	700,343	.....	700,343	.....
Health and Family Services	2,117,546	.....	2,117,546	.....
Transportation	1,440,141	.....	1,440,141	.....
Nonmajor governmental funds	1,401,380	.....	1,401,380	.....
Debt service	286,787	.....	286,787	74,034
Lottery	.....	120,722	120,722	.....
Prepaid College Program	.....	591,401	591,401	.....
Hurricane Catastrophe Fund	.....	4,729,314	4,729,314	.....
Unemployment Compensation	.....	(1,058,871)	(1,058,871)	.....
Other	173,331	279,983	453,314	4,105,496
Funds held for permanent endowment				
Expendable	.....	.....	.....	1,902,976
Nonexpendable	.....	.....	.....	3,132,338
Unrestricted	(15,117,243)	549,270	(14,567,973)	10,596,424
Total net assets	\$ 50,461,755	\$ 10,468,048	\$ 60,929,803	\$ 37,531,260

The notes to the financial statements are an integral part of this statement.

**2011 STATE OF FLORIDA CAFR**

**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
(in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
Governmental activities:					
General government	\$ 6,830,398	\$ 4,092,321	\$ 1,036,322	\$ 127	\$ (1,701,628)
Education	20,423,515	152,217	5,231,404	353	(15,039,541)
Human services	29,040,946	1,491,338	20,358,330	6,396	(7,184,882)
Criminal justice and corrections	4,534,992	775,476	144,067	4,090	(3,611,359)
Natural resources and environment	2,339,268	382,261	1,057,810	49,446	(849,751)
Transportation	3,613,936	255,995	90,921	1,998,041	(1,268,979)
State courts	435,153	232,771	1,637	.....	(200,745)
Indirect interest on long-term debt	6,751	.....	.....	.....	(6,751)
Total governmental activities	<u>67,224,959</u>	<u>7,382,379</u>	<u>27,920,491</u>	<u>2,058,453</u>	<u>(29,863,636)</u>
Business-type activities:					
Transportation	385,564	699,675	73	270	314,454
Lottery	2,864,709	4,044,597	.....	.....	1,179,888
Hurricane Catastrophe Fund	236,475	1,358,918	.....	.....	1,122,443
Prepaid College Program	691,977	799,886	.....	.....	107,909
Unemployment Compensation	5,743,471	1,722,484	3,863,450	.....	(157,537)
Nonmajor enterprise funds	268,936	362,184	210	.....	93,458
Total business-type activities	<u>10,191,132</u>	<u>8,987,744</u>	<u>3,863,733</u>	<u>270</u>	<u>2,660,615</u>
Total primary government	<u>\$ 77,416,091</u>	<u>\$ 16,370,123</u>	<u>\$ 31,784,224</u>	<u>\$ 2,058,723</u>	<u>\$ (27,203,021)</u>
<b>Component units</b>					
Florida Housing Finance Corporation	\$ 596,621	\$ 323,950	\$ .....	\$ .....	\$ (272,671)
University of Florida	4,658,090	2,620,444	1,312,423	73,977	(651,246)
Citizens Property Insurance Corporation	1,325,071	1,971,714	.....	.....	646,643
Nonmajor component units	10,803,041	2,748,891	4,054,473	926,420	(3,073,257)
Total component units	<u>\$ 17,382,823</u>	<u>\$ 7,664,999</u>	<u>\$ 5,366,896</u>	<u>\$ 1,000,397</u>	<u>\$ (3,350,531)</u>
Net (expense) revenue					
General revenues:					
Taxes					
Sales and use tax	17,822,003	.....	17,822,003	.....	.....
Fuel taxes	2,512,393	.....	2,512,393	.....	.....
Corporate income tax	1,880,365	.....	1,880,365	.....	.....
Documentary stamp tax	1,152,222	.....	1,152,222	.....	.....
Intangible personal property tax	163,553	.....	163,553	.....	.....
Communications service tax	1,427,851	.....	1,427,851	.....	.....
Beverage and tobacco taxes	1,886,065	.....	1,886,065	.....	.....
Insurance premium tax	876,744	.....	876,744	.....	.....
Gross receipts utilities tax	647,558	.....	647,558	.....	.....
Property taxes	.....	.....	.....	.....	790,649
Other taxes	1,022,728	.....	1,022,728	.....	.....
Investment earning (loss)	369,459	4,353	373,812	1,090,720	
Gain (loss) on sale of capital assets	(3,450)	(2,732)	(6,182)	(4,061)	
Payments from the State of Florida	.....	.....	.....	.....	3,251,409
Emergency assessments	.....	386,676	386,676	.....	.....
Miscellaneous	68	127	195	1,299,827	
Transfers	1,318,180	(1,318,180)	.....	.....	.....
Contributions to permanent funds	.....	.....	.....	69,554	
Total general revenues, transfers and contributions	<u>31,075,739</u>	<u>(929,756)</u>	<u>30,145,983</u>	<u>6,498,098</u>	
Changes in net assets					
Net assets - beginning	1,212,103	1,730,859	2,942,962	3,147,567	
Adjustments to increase (decrease) beginning net assets	49,249,652	8,737,189	57,986,841	34,032,869	
Net assets - ending	<u>\$ 50,461,755</u>	<u>\$ 10,468,048</u>	<u>\$ 60,929,803</u>	<u>\$ 37,531,260</u>	

The notes to the financial statements are an integral part of this statement.

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## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

### **Major Funds**

#### **GENERAL FUND**

This fund is the State's primary operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

#### **ENVIRONMENT, RECREATION AND CONSERVATION**

This fund accounts for operations of various programs, such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation.

#### **PUBLIC EDUCATION**

This fund includes internal reporting funds administered by the Department of Education to operate education-related programs.

#### **HEALTH AND FAMILY SERVICES**

This fund includes internal reporting funds used to operate various health and family service-related programs, such as health care, elder affairs, and child support.

#### **TRANSPORTATION**

This fund includes the internal reporting special revenue funds used to account for the administration of the maintenance and development of the State highway system and other transportation-related projects.

### **Nonmajor Funds**

Nonmajor governmental funds are presented, by fund type, beginning on page 163.

**2011 STATE OF FLORIDA CAFR**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011  
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and cash equivalents	\$ 78,032	\$ 1,457	\$ .....	\$ 23,494
Pooled investments with State Treasury	3,396,760	1,318,694	967,390	1,856,011
Other Investments	997,468	.....	.....	38
Receivables, net	1,428,332	145,249	105,555	1,735,462
Due from other funds	146,311	14,684	88,112	84,866
Due from component units/primary	1,908	399	.....	.....
Inventories	11,772	937	.....	35,153
Other	222	.....	.....	.....
Total current assets	<u>6,060,805</u>	<u>1,481,420</u>	<u>1,161,057</u>	<u>3,735,024</u>
<b><u>Noncurrent assets</u></b>				
Long-term investments	.....	.....	.....	.....
Advances to other funds	2,603	.....	.....	3,479
Advances to other entities	48,962	79,604	761,336	6,255
Other loans and notes receivable, net	12,835	1,029,989	.....	27,450
Other	.....	.....	.....	.....
Total noncurrent assets	<u>64,400</u>	<u>1,109,593</u>	<u>761,336</u>	<u>37,184</u>
Total assets	<u>\$ 6,125,205</u>	<u>\$ 2,591,013</u>	<u>\$ 1,922,393</u>	<u>\$ 3,772,208</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b><u>Current liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 502,179	\$ 33,197	\$ 48,344	\$ 234,330
Due to other funds	152,760	29,569	770	21,211
Due to component units/primary	3,625	16,005	.....	14,880
Compensated absences	13,531	972	73	1,542
Claims payable	371,237	.....	.....	838,222
Deposits	441	10,394	25	22,649
Deferred revenues	206,028	2,070	10,849	313,039
Obligations under security lending agreements	1,244,657	135,184	104,637	16,693
Total current liabilities	<u>2,494,458</u>	<u>227,391</u>	<u>164,698</u>	<u>1,462,566</u>
<b><u>Noncurrent liabilities</u></b>				
Advances from other funds	3,579	.....	649,367	.....
Deposits	.....	.....	.....	33,548
Deferred revenues	.....	512	.....	30,929
Other	.....	.....	.....	.....
Total noncurrent liabilities	<u>3,579</u>	<u>512</u>	<u>649,367</u>	<u>64,477</u>
Total liabilities	<u>2,498,037</u>	<u>227,903</u>	<u>814,065</u>	<u>1,527,043</u>
<b><u>Fund balances</u></b>				
Nonspendable	76,554	937	.....	35,153
Restricted	52,767	1,589,330	821,986	48,817
Committed	887,891	772,843	286,342	2,161,195
Unassigned	2,609,956	.....	.....	.....
Total fund balances	<u>3,627,168</u>	<u>2,363,110</u>	<u>1,108,328</u>	<u>2,245,165</u>
Total liabilities and fund balances	<u>\$ 6,125,205</u>	<u>\$ 2,591,013</u>	<u>\$ 1,922,393</u>	<u>\$ 3,772,208</u>

The notes to the financial statements are an integral part of this statement

**2011 STATE OF FLORIDA CAFR**

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<u>Transportation</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals 6/30/11</u>
\$ 174,059	\$ 45,373	\$ 322,415
1,405,783	1,529,487	10,474,125
.....	331,971	1,329,477
291,778	381,581	4,087,957
108,854	62,077	504,904
.....	.....	2,307
9,884	1,781	59,527
754	799	1,775
<u>1,991,112</u>	<u>2,353,069</u>	<u>16,782,487</u>
.....	252,081	252,081
276,262	.....	282,344
.....	25,752	921,909
746,311	1,062,888	2,879,473
5,192	.....	5,192
<u>1,027,765</u>	<u>1,340,721</u>	<u>4,340,999</u>
<u>\$ 3,018,877</u>	<u>\$ 3,693,790</u>	<u>\$ 21,123,486</u>
\$ 631,086	\$ 218,392	\$ 1,667,528
44,950	99,377	348,637
.....	2,657	37,167
5,957	1,934	24,009
.....	8,439	1,217,898
340,735	87,850	462,094
10,043	48,342	590,371
111,824	114,376	1,727,371
<u>1,144,595</u>	<u>581,367</u>	<u>6,075,075</u>
.....	625	653,571
17,222	25,752	76,522
416,918	17,675	466,034
.....	879	879
<u>434,140</u>	<u>44,931</u>	<u>1,197,006</u>
<u>1,578,735</u>	<u>626,298</u>	<u>7,272,081</u>
9,884	13,993	136,521
178,666	1,926,924	4,618,490
1,251,592	1,126,575	6,486,438
.....	.....	2,609,956
<u>1,440,142</u>	<u>3,067,492</u>	<u>13,851,405</u>
<u>\$ 3,018,877</u>	<u>\$ 3,693,790</u>	<u>\$ 21,123,486</u>

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**2011 STATE OF FLORIDA CAFR**

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**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF NET ASSETS  
JUNE 30, 2011  
(in thousands)**

Total fund balances for governmental funds	\$ 13,851,405
--	---------------

Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Capital assets used in governmental activities reported in governmental funds  
are not financial resources and therefore are not reported in the funds.

Land and other nondepreciable assets	16,928,733
Nondepreciable infrastructure	34,964,891
Buildings, equipment and other depreciable assets	6,065,639
Accumulated depreciation	(3,451,688)
Construction work in progress	<u>5,759,497</u>
	60,267,072

Long-term liabilities are not due and payable in the current period and  
therefore are not reported in the funds.

Compensated absences	(780,842)
Installment purchases/capital leases	(43,438)
Claims payable	(2,570,825)
Bonds payable	(21,440,203)
Certificates of participation payable	(121,150)
Other	<u>(572,422)</u>
	(25,528,880)

Accrued interest payable on bonds that is not recognized on the fund  
statements but is recognized on the Statement of Net Assets. (64,589)

Assets (receivables) not available to provide current resources are offset  
with deferred revenues (liability) in the fund statements. The reduction of the  
liability and recognition of revenue increases net assets in the Statement  
of Net Assets. 1,582,649

Internal service funds are used to report activities that provide goods and  
services to other funds or agencies within the state. Therefore, the excess  
of assets over liabilities of the internal service funds are included as  
governmental activities on the Statement of Net Assets. 354,098

Net assets of governmental activities	<u>\$ 50,461,755</u>
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# 2011 STATE OF FLORIDA CAFR

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services
<b>REVENUES</b>				
Taxes	\$ 24,740,356	\$ 289,792	\$ 1,072,232	\$ 833,736
Licenses and permits	402,885	47,732	.....	36,615
Fees and charges	1,777,793	141,337	43,339	1,310,171
Grants and donations	10,755	291,627	5,066,413	20,960,635
Investment earnings	281,800	48,161	62,174	1,470
Fines, forfeits, settlements and judgments	72,247	10,063	64,941	52,483
Other	2,738	1,417	4,468	11,778
Total revenues	<b>27,288,574</b>	<b>830,129</b>	<b>6,313,567</b>	<b>23,206,888</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,754,777	16,191	.....	196,451
Education	12,266,095	.....	7,234,699	.....
Human services	5,486,029	.....	.....	23,181,812
Criminal justice and corrections	3,425,844	.....	.....	.....
Natural resources and environment	271,226	963,623	.....	105,651
Transportation	17,372	.....	.....	.....
State courts	48,648	.....	.....	.....
Capital outlay	36,333	50,337	1,072	20,012
Debt service:				
Principal retirement	8,371	.....	.....	5,596
Interest and fiscal charges	5,533	.....	.....	1,179
Total expenditures	<b>25,320,228</b>	<b>1,030,151</b>	<b>7,235,771</b>	<b>23,510,701</b>
Excess (deficiency) of revenues over expenditures	<b>1,968,346</b>	<b>(200,022)</b>	<b>(922,204)</b>	<b>(303,813)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of bond issues	2,277	.....	695,517	.....
Proceeds of refunding bonds	.....	.....	.....	.....
Proceeds of financing agreements	.....	.....	.....	.....
Operating transfers in	640,747	727,243	1,448,153	1,828,663
Operating transfers out	(3,153,974)	(617,172)	(1,558,322)	(566,903)
Payments to refunded bond agent	.....	.....	.....	.....
Total other financing sources (uses)	<b>(2,510,950)</b>	<b>110,071</b>	<b>585,348</b>	<b>1,261,760</b>
Net change in fund balances	<b>(542,604)</b>	<b>(89,951)</b>	<b>(336,856)</b>	<b>957,947</b>
Fund balances - beginning	<b>4,169,772</b>	<b>2,453,061</b>	<b>1,445,184</b>	<b>1,287,218</b>
Fund balances - ending	<b>\$ 3,627,168</b>	<b>\$ 2,363,110</b>	<b>\$ 1,108,328</b>	<b>\$ 2,245,165</b>

The notes to the financial statements are an integral part of this statement.

**2011 STATE OF FLORIDA CAFR**

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<u>Transportation</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals 6/30/11</u>
\$ 2,218,958	\$ 200,706	\$ 29,355,780
9,318	965,452	1,462,002
340,012	931,078	4,543,730
2,056,065	1,846,227	30,231,722
29,535	72,445	495,585
17,258	966,439	1,183,431
6,255	92,534	119,190
<b>4,677,401</b>	<b>5,074,881</b>	<b>67,391,440</b>
202,732	2,580,060	6,750,211
.....	184,520	19,685,314
.....	402,589	29,070,430
.....	1,010,474	4,436,318
.....	822,079	2,162,579
3,486,682	.....	3,504,054
.....	377,911	426,559
1,059,664	71,679	1,239,097
121	1,139,885	1,153,973
3	1,047,321	1,054,036
<b>4,749,202</b>	<b>7,636,518</b>	<b>69,482,571</b>
<b>(71,801)</b>	<b>(2,561,637)</b>	<b>(2,091,131)</b>
.....	264,539	962,333
.....	1,540,777	1,540,777
724	.....	724
959,814	3,808,515	9,413,135
(541,173)	(1,653,921)	(8,091,465)
.....	(1,540,777)	(1,540,777)
<b>419,365</b>	<b>2,419,133</b>	<b>2,284,727</b>
<b>347,564</b>	<b>(142,504)</b>	<b>193,596</b>
<b>1,092,578</b>	<b>3,209,996</b>	<b>13,657,809</b>
<b>\$ 1,440,142</b>	<b>\$ 3,067,492</b>	<b>\$ 13,851,405</b>

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## 2011 STATE OF FLORIDA CAFR

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
(in thousands)

Net change in fund balance - total governmental funds	\$ 193,596
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Internal service funds are used by management to charge the costs of goods or services to other funds and agencies within the state. Therefore, the net revenue (expense) of the internal service funds is reported with governmental activities.

	152,625
--	---------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful lives of the assets and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation in the current period.

Capital outlay expenditures	1,316,721
Depreciation expense	<u>(301,797)</u>
	1,014,924

In the Statement of Activities, the gain or (loss) on the sale of assets is reported whereas in the governmental funds only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the assets sold.

	(1,903)
--	---------

In the Statement of Activities, some revenues are recognized that do not provide current financial resources and are not recognized as revenues in the governmental funds until available, i.e., deferred revenues.

	(289,659)
--	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Decrease in compensated absences	45,480
Increase in accrued interest	(5,873)
Increase in claims payable	(14,437)
Decrease in arbitrage liability	207
Increase in other liabilities	<u>(138,427)</u>
	(113,050)

The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Bond proceeds	(962,333)
Refunding bond proceeds	(1,540,777)
Financing agreement proceeds	(663)
Repayment of bonds	1,134,537
Repayment of capital leases/installment purchase contracts	19,436
Payment to refunded bond escrow agent	1,540,777
Amortization of bond premium	132,430
Amortization of deferred amount on refunding	(13,657)
Accrued interest payable at refunding	<u>(54,180)</u>
	255,570

Change in net assets of governmental activities	<u>\$ 1,212,103</u>
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## **PROPRIETARY FUND FINANCIAL STATEMENTS**

### **Major Funds**

#### **TRANSPORTATION**

This fund accounts for operations of the Florida Turnpike Enterprise which includes the Florida Turnpike System.

#### **LOTTERY**

This fund accounts for state lottery operations, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Education Enhancement Trust Fund.

#### **FLORIDA HURRICANE CATASTROPHE FUND**

This fund, administered by the State Board of Administration, is a blended component unit and was created to help cover insurers' losses in the event of a hurricane disaster.

#### **PREPAID COLLEGE PROGRAM**

This fund, administered by the State Board of Administration, is used to account for payments from purchasers of the Florida Prepaid College Program, a blended component unit. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

#### **UNEMPLOYMENT COMPENSATION**

This fund accounts for the receipt of monies for and payment of unemployment compensation benefits.

### **Nonmajor Funds**

Nonmajor enterprise funds are presented on page 199.

### **Internal Service Funds**

Internal service funds are presented on page 205.

**2011 STATE OF FLORIDA CAFR**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011  
(in thousands)**

	<u>Transportation</u>	<u>Lottery</u>	<u>Hurricane Catastrophe Fund</u>	<u>Prepaid College Program</u>	<u>Unemployment Compensation</u>
<b>ASSETS</b>					
<b><u>Current assets</u></b>					
Cash and cash equivalents	\$ 15,356	\$ 21,613	\$ 136	\$ 52,985	\$ 1,794
Pooled investments with State Treasury	709,438	186,291	.....	.....	27,408
Other Investments	.....	.....	9,219,564	1,876,114	.....
Receivables, net	7,262	22,184	120,814	421,619	604,897
Due from other funds	1,731	.....	.....	.....	4,118
Due from component units/primary	.....	.....	.....	.....	1,835
Inventories	4,056	994	.....	.....	.....
Other	547	2,632	.....	.....	.....
Total current assets	738,390	233,714	9,340,514	2,350,718	640,052
<b><u>Noncurrent assets</u></b>					
Restricted cash and cash equivalents	17,164	.....	.....	.....	.....
Restricted pooled investments with State Treasury	22,987	18,559	.....	.....	.....
Restricted investments	265,460	1,455,009	.....	.....	.....
Long-term investments	.....	.....	1,501,326	8,191,828	.....
Other loans and notes receivable, net	1,582	.....	.....	1,645,587	.....
Capital assets					
Land and other nondepreciable assets	901,618	41	.....	.....	.....
Nondepreciable infrastructure	6,428,094	.....	.....	.....	.....
Buildings, equipment, and other depreciable assets	443,972	13,164	82	53	.....
Accumulated depreciation	(213,147)	(11,957)	(78)	(52)	.....
Construction work in progress	610,178	.....	.....	.....	.....
Other	13,869	15,926	8,249	.....	.....
Total noncurrent assets	8,491,777	1,490,742	1,509,579	9,837,416	.....
Total assets	9,230,167	1,724,456	10,850,093	12,188,134	640,052
<b>LIABILITIES</b>					
<b><u>Current liabilities</u></b>					
Accounts payable and accrued liabilities	113,967	12,136	702,463	316,393	78,864
Accrued prize liability	.....	239,860	.....	.....	.....
Due to other governments	.....	.....	.....	.....	742,210
Due to other funds	61,008	81,863	116	.....	1,912
Due to component units/primary	.....	.....	.....	.....	.....
Compensated absences	.....	809	47	44	.....
Installment purchases/capital leases	.....	.....	.....	.....	.....
Bonds payable	.....	.....	282,660	.....	.....
Bonds payable from restricted assets	105,050	.....	.....	.....	.....
Deposits	2,261	.....	.....	.....	3
Deferred revenues	.....	.....	.....	.....	.....
Obligations under security lending agreements	79,194	754,090	.....	1,388,132	.....
Certificates of participation payable	.....	.....	.....	.....	.....
Tuition and housing benefits payable	.....	.....	.....	644,371	.....
Total current liabilities	361,480	1,088,758	985,286	2,348,940	822,989
<b><u>Noncurrent liabilities</u></b>					
Advances from other funds	275,362	.....	.....	.....	.....
Accrued prize liability	.....	509,513	.....	.....	.....
Due to other governments	.....	.....	.....	.....	844,200
Bonds payable	2,768,269	.....	5,135,362	.....	.....
Certificates of participation payable	.....	.....	.....	.....	.....
Installment purchases/capital leases	.....	.....	.....	.....	.....
Deposits	699	.....	.....	.....	31,734
Compensated absences	.....	2,743	127	123	.....
Tuition and housing benefits payable	.....	.....	.....	9,247,669	.....
Other	4,018	1,472	.....	.....	.....
Total noncurrent liabilities	3,048,348	513,728	5,135,489	9,247,792	875,934
Total liabilities	3,409,828	1,602,486	6,120,775	11,596,732	1,698,923
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	5,247,651	1,248	4	1	.....
Restricted for unemployment compensation	.....	.....	.....	.....	(1,058,871)
Restricted for lottery	.....	120,722	.....	.....	.....
Restricted for Hurricane Catastrophe Fund	.....	.....	4,729,314	.....	.....
Restricted for Prepaid College Program	.....	.....	.....	591,401	.....
Restricted - other	279,983	.....	.....	.....	.....
Unrestricted	292,705	.....	.....	.....	.....
Total net assets	\$ 5,820,339	\$ 121,970	\$ 4,729,318	\$ 591,402	\$ (1,058,871)

The notes to the financial statements are an integral part of this statement.

Nonmajor Enterprise Funds	Totals 6/30/11	Internal Service Funds
\$ 1,669	\$ 93,553	\$ 34,498
259,668	1,182,805	442,387
16,296	11,111,974	64,964
10,324	1,187,100	18,542
10,055	15,904	49,983
4	1,839	957
.....	5,050	.....
57	3,236	.....
<b>298,073</b>	<b>13,601,461</b>	<b>611,331</b>
.....	17,164	.....
.....	41,546	.....
.....	1,720,469	.....
<b>56,582</b>	<b>9,749,736</b>	<b>.....</b>
.....	1,647,169	.....
.....	901,659	355
.....	6,428,094	.....
30,785	488,056	1,344,624
(23,460)	(248,694)	(360,411)
.....	610,178	105,286
.....	38,044	.....
<b>63,907</b>	<b>21,393,421</b>	<b>1,089,854</b>
<b>361,980</b>	<b>34,994,882</b>	<b>1,701,185</b>
6,412	1,230,235	82,994
.....	239,860	.....
.....	742,210	.....
5,981	150,880	21,472
116	116	2
4,037	4,937	2,912
.....	.....	1,047
.....	282,660	20,425
.....	105,050	.....
.....	2,264	91,134
38,378	38,378	.....
22,572	2,243,988	46,039
.....	.....	33,805
.....	644,371	.....
<b>77,496</b>	<b>5,684,949</b>	<b>299,830</b>
.....	275,362	2,778
.....	509,513	.....
.....	844,200	.....
.....	7,903,631	358,883
.....	.....	651,858
.....	.....	8,265
.....	32,433	.....
12,569	15,562	11,620
.....	9,247,669	.....
8,025	13,515	13,853
<b>20,594</b>	<b>18,841,885</b>	<b>1,047,257</b>
<b>98,090</b>	<b>24,526,834</b>	<b>1,347,087</b>
7,325	5,256,229	158,189
.....	(1,058,871)	.....
.....	120,722	.....
.....	4,729,314	.....
.....	591,401	.....
.....	279,983	.....
256,565	549,270	195,909
<b>\$ 263,890</b>	<b>\$ 10,468,048</b>	<b>\$ 354,098</b>

# 2011 STATE OF FLORIDA CAFR

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program
<b>OPERATING REVENUES</b>				
Sales - nonstate	\$ 9,532	\$ 4,014,507	\$ 1,312,298	\$ 443,814
Fees	657,129	.....	.....	3,029
Sales - state	.....	.....	30	.....
Rents and royalties - nonstate	8,382	244	.....	.....
Rents - state	.....	.....	.....	.....
Fines, forfeits, settlements and judgments	3,885	171	.....	.....
Other	.....	.....	.....	.....
Total operating revenues	<b>678,928</b>	<b>4,014,922</b>	<b>1,312,328</b>	<b>446,843</b>
<b>OPERATING EXPENSES</b>				
Benefit payments	.....	.....	.....	.....
Payment of lottery winnings	.....	2,460,219	.....	.....
Commissions on lottery sales	.....	223,390	.....	.....
Contractual services	226,895	99,655	114,252	683,816
Insurance claims expense	.....	.....	.....	.....
Personal services	20,912	27,110	1,142	879
Depreciation	20,053	310	3	1
Materials and supplies	2,282	1,026	17	26
Repairs and maintenance	.....	1,305	1	1
Basic services	.....	5,092	191	134
Interest and fiscal charges	.....	.....	37	35
Total operating expenses	<b>270,142</b>	<b>2,818,107</b>	<b>115,643</b>	<b>684,892</b>
Operating income (loss)	<b>408,786</b>	<b>1,196,815</b>	<b>1,196,685</b>	<b>(238,049)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grants and donations	343	.....	.....	.....
Investment earnings	15,056	29,675	46,590	353,043
Interest and fiscal charges	(115,052)	(46,602)	(120,832)	(5,489)
Fines, Forfeits, Judgments and Settlements	.....	.....	.....	126
Property disposition gain (loss)	(2,588)	(15)	.....	.....
Grant expense and client benefits	.....	.....	.....	.....
Emergency Assessment Funds Received	.....	.....	386,676	.....
Other	5,642	.....	.....	.....
Total nonoperating revenues (expenses)	<b>(96,599)</b>	<b>(16,942)</b>	<b>312,434</b>	<b>347,680</b>
Income (loss) before transfers and contributions	312,187	1,179,873	1,509,119	109,631
Operating transfers in	28,426	18	.....	.....
Operating transfers out	(23,020)	(1,192,029)	(10,000)	(1,596)
Capital contributions	.....	.....	.....	.....
Change in net assets	317,593	(12,138)	1,499,119	108,035
Total net assets - beginning	<b>5,502,746</b>	<b>134,108</b>	<b>3,230,199</b>	<b>483,367</b>
Total net assets - ending	<b>\$ 5,820,339</b>	<b>\$ 121,970</b>	<b>\$ 4,729,318</b>	<b>\$ 591,402</b>

The notes to the financial statements are an integral part of this statement.

**2011 STATE OF FLORIDA CAFR**

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<b>Unemployment Compensation</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals 6/30/11</b>	<b>Internal Service Funds</b>
\$ 1,706,255	\$ 84,835	\$ 5,864,986	\$ 41,795
.....	218,117	2,584,530	.....
.....	23,298	23,328	2,095,655
.....	4	8,630	171
.....	90	90	158,527
.....	26,701	30,757	2
.....	2	2	26,480
<b>1,706,255</b>	<b>353,047</b>	<b>8,512,323</b>	<b>2,322,630</b>
<b>5,743,471</b>	<b>.....</b>	<b>5,743,471</b>	<b>.....</b>
.....	.....	2,460,219	.....
.....	.....	223,390	.....
.....	55,741	1,180,359	1,142,853
.....	.....	.....	828,761
.....	169,502	219,545	105,704
.....	1,999	22,366	24,442
.....	5,834	9,185	16,160
.....	1,514	2,821	8,842
.....	30,577	35,994	13,129
.....	2,112	2,184	397
<b>5,743,471</b>	<b>267,279</b>	<b>9,899,534</b>	<b>2,140,288</b>
<b>(4,037,216)</b>	<b>85,768</b>	<b>(1,387,211)</b>	<b>182,342</b>
<b>3,863,450</b>	<b>210</b>	<b>3,864,003</b>	<b>.....</b>
<b>16,214</b>	<b>5,030</b>	<b>465,608</b>	<b>8,704</b>
.....	(302)	(288,277)	(57,905)
.....	.....	126	.....
.....	(129)	(2,732)	(2,727)
.....	(1,248)	(1,248)	.....
.....	.....	386,676	.....
.....	(69)	5,573	7
<b>3,879,664</b>	<b>3,492</b>	<b>4,429,729</b>	<b>(51,921)</b>
<b>(157,552)</b>	<b>89,260</b>	<b>3,042,518</b>	<b>130,421</b>
<b>17,548</b>	<b>13,619</b>	<b>59,611</b>	<b>42,897</b>
<b>(15,279)</b>	<b>(129,346)</b>	<b>(1,371,270)</b>	<b>(22,522)</b>
.....	.....	.....	1,829
<b>(155,283)</b>	<b>(26,467)</b>	<b>1,730,859</b>	<b>152,625</b>
<b>(903,588)</b>	<b>290,357</b>	<b>8,737,189</b>	<b>201,473</b>
<b>\$ (1,058,871)</b>	<b>\$ 263,890</b>	<b>\$ 10,468,048</b>	<b>\$ 354,098</b>

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
(in thousands)

	<u>Transportation</u>	<u>Lottery</u>	<u>Hurricane Catastrophe Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 780,402	\$ 4,010,141	\$ 1,318,523
Cash paid to vendors	(254,524)	(334,834)	(4,489)
Cash paid to employees	(21,525)	(26,753)	(1,146)
Lottery prizes	.....	(2,472,222)	.....
Cash paid for insurance claims	.....	.....	(239,401)
Unemployment benefits	.....	.....	.....
Net cash provided (used) by operating activities	<b>504,353</b>	<b>1,176,332</b>	<b>1,073,487</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in (out)	5,988	(1,169,255)	(10,000)
Advances from or repayment from other funds	4,217	.....	.....
Advances, grants or loans (to) from or repayment from others	3,723	.....	.....
Payment of bonds or loans (principal and interest)	.....	.....	(392,404)
Cash received from noncapital grants or donations	73	.....	.....
Emergency assessment funds received	.....	.....	361,198
Net cash provided (used) by noncapital financing activities	<b>14,001</b>	<b>(1,169,255)</b>	<b>(41,206)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash received from sale of capital assets	.....	.....	.....
Cash received from capital grants and donations	270	.....	.....
Payment of bond principal	(100,525)	.....	.....
Payment of principal on installment purchase/capital lease	.....	.....	.....
Payment of interest on bonds/installment purchase/capital lease	(140,174)	.....	.....
Purchase or construction of capital assets	(319,939)	(152)	(2)
Net cash provided (used) by capital and related financing activities	<b>(560,368)</b>	<b>(152)</b>	<b>(2)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Security lending	1,309	(61,500)	.....
Proceeds from the sale or maturity of investments	1,356,607	178,569	445,742,296
Cash paid to grand prize winners upon maturity of grand prize investments	.....	(178,569)	.....
Investment earnings	15,389	5,907	32,934
Purchase of investments	(1,339,475)	.....	(446,807,416)
Net cash provided (used) by investing activities	<b>33,830</b>	<b>(55,593)</b>	<b>(1,032,186)</b>
Net increase (decrease) in cash and cash equivalents	<b>(8,184)</b>	<b>(48,668)</b>	<b>93</b>
Cash and cash equivalents - beginning	<b>773,129</b>	<b>275,131</b>	<b>43</b>
Cash and cash equivalents - ending	<b>\$ 764,945</b>	<b>\$ 226,463</b>	<b>\$ 136</b>

The notes to the financial statements are an integral part of this statement.

**2011 STATE OF FLORIDA CAFR**

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<u>Prepaid College Program</u>	<u>Unemployment Compensation</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals 6/30/11</u>	<u>Internal Service Funds</u>
\$ 499,070	\$ 1,552,793	\$ 357,782	\$ 8,518,711	\$ 2,224,167
(399,431)	.....	(90,255)	(1,083,533)	(1,215,331)
(918)	.....	(157,652)	(207,994)	(99,544)
.....	.....	.....	(2,472,222)	.....
.....	.....	(123)	(239,524)	(828,761)
.....	(5,870,147)	(514)	(5,870,661)	.....
<b>98,721</b>	<b>(4,317,354)</b>	<b>109,238</b>	<b>(1,355,223)</b>	<b>80,531</b>
(1,596)	2,157	(121,248)	(1,293,954)	371
.....	.....	(28)	4,189	2,664
.....	3,972,698	(1,350)	3,975,071	.....
.....	.....	.....	(392,404)	.....
.....	.....	.....	73	57
.....	.....	210	361,408	.....
<b>(1,596)</b>	<b>3,974,855</b>	<b>(122,416)</b>	<b>2,654,383</b>	<b>3,092</b>
.....	.....	4	4	3,665
.....	.....	.....	270	.....
.....	.....	.....	(100,525)	(52,803)
.....	.....	.....	.....	(3,821)
.....	.....	.....	(140,174)	(50,946)
<b>(1)</b>	<b>.....</b>	<b>(1,246)</b>	<b>(321,340)</b>	<b>(116,065)</b>
<b>(1)</b>	<b>.....</b>	<b>(1,242)</b>	<b>(561,765)</b>	<b>(219,970)</b>
(12,483)	.....	1,713	(70,961)	(11,382)
<b>8,547,214</b>	<b>.....</b>	<b>5,871,642</b>	<b>461,696,328</b>	<b>.....</b>
.....	.....	.....	(178,569)	.....
106,385	17,418	4,548	182,581	12,490
<b>(8,718,520)</b>	<b>.....</b>	<b>(5,865,562)</b>	<b>(462,730,973)</b>	<b>36</b>
<b>(77,404)</b>	<b>17,418</b>	<b>12,341</b>	<b>(1,101,594)</b>	<b>1,144</b>
<b>19,720</b>	<b>(325,081)</b>	<b>(2,079)</b>	<b>(364,199)</b>	<b>(135,203)</b>
<b>33,265</b>	<b>354,283</b>	<b>263,416</b>	<b>1,699,267</b>	<b>612,088</b>
<b>\$ 52,985</b>	<b>\$ 29,202</b>	<b>\$ 261,337</b>	<b>\$ 1,335,068</b>	<b>\$ 476,885</b>

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
(in thousands)

**Reconciliation of operating income (loss) to net cash provided (used) by operating activities**

	Transportation	Lottery	Hurricane Catastrophe Fund
Operating income (loss)	\$ 408,785	\$ 1,196,815	\$ 1,196,685
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	20,053	310	3
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,332)	(5,513)	(784)
(Increase) decrease in due from other funds	116,303	.....	.....
Increase (decrease) in allowance for uncollectibles	.....	732	9,439
(Increase) decrease in inventories	1,653	5	.....
(Increase) decrease in other non-current assets	303	(6,590)	.....
Increase (decrease) in accounts payable	81,007	(4,370)	(131,859)
Increase (decrease) in compensated absences	.....	(125)	3
Increase (decrease) in due to other funds	(115,491)	.....	.....
Increase (decrease) in other non-current liability	(706)	482	.....
Increase (decrease) in deposits	274	.....	.....
Increase (decrease) in deferred revenue	(5,496)	.....	.....
Increase (decrease) in prize liability	.....	(5,414)	.....
Net cash provided (used) by operating activities	<u>\$ 504,353</u>	<u>\$ 1,176,332</u>	<u>\$ 1,073,487</u>

**Noncash investing, capital, and financing activities**

Change in fair value of investments	.....	(92,140)	2,170
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The notes to the financial statements are an integral part of this statement.

**2011 STATE OF FLORIDA CAFR**

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<u>Prepaid College Program</u>	<u>Unemployment Compensation</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals 6/30/11</u>	<u>Internal Service Funds</u>
\$ (238,049)	\$ (4,037,215)	\$ 85,765	\$ (1,387,214)	\$ 182,341

1	.....	1,999	22,366	24,442
(41,643)	(182,662)	1,640	(231,294)	576
.....	(753)	(1,068)	114,482	(13,168)
.....	29,952	334	40,457	(36)
.....	.....	(19)	1,639	162
.....	.....	.....	(6,287)	.....
378,431	(125,408)	327	198,128	(29,564)
(19)	.....	(449)	(590)	(318)
.....	(1,268)	425	(116,334)	(4,695)
.....	.....	2,588	2,364	6,536
.....	.....	.....	274	.....
.....	.....	17,696	12,200	(85,745)
.....	.....	.....	(5,414)	.....
<b>\$ 98,721</b>	<b>\$ (4,317,354)</b>	<b>\$ 109,238</b>	<b>\$ (1,355,223)</b>	<b>\$ 80,531</b>

(212,195)	.....	190	(301,975)	.....
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## **FIDUCIARY FUND FINANCIAL STATEMENTS**

### **PRIVATE-PURPOSE TRUST FUNDS**

Individual fund descriptions and financial statements begin on page 213.

### **PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**

Individual fund descriptions and financial statements begin on page 219.

### **INVESTMENT TRUST FUNDS**

Individual fund descriptions and financial statements begin on page 225.

### **AGENCY FUNDS**

Individual fund descriptions and financial statements begin on page 229.

# 2011 STATE OF FLORIDA CAFR

## STATEMENT OF FIDUCIARY NET ASSETS

### FIDUCIARY FUNDS

JUNE 30, 2011

(in thousands)

	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Agency Funds	Totals 6/30/11
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,794	\$ 314,702	\$ 215	\$ 31,430	\$ 356,141
Pooled investments with State Treasury	541,874	94,295	1,748,119	1,409,086	3,793,374
Total cash and cash equivalents	<b>551,668</b>	<b>408,997</b>	<b>1,748,334</b>	<b>1,440,516</b>	<b>4,149,515</b>
<b>Investments</b>					
Certificates of deposit	620	460,535	2,361,229	.....	2,822,384
U.S. government & federally guaranteed obligations	16,177	7,962,851	25,972	137,039	8,142,039
Federal agencies	31,889	10,143,278	.....	19,707	10,194,874
Commercial paper	.....	7,113,266	1,708,551	.....	8,821,817
Repurchase agreements	.....	1,000,000	1,270,260	.....	2,270,260
Bonds and notes	42,665	10,210,980	228,174	.....	10,481,819
International bonds and notes	3,860	3,207,167	38,886	.....	3,249,913
Real estate contracts	.....	7,285,791	.....	.....	7,285,791
Mutual fund investments	4,564	15,194,034	.....	.....	15,198,598
Money market and short-term investments	19,737	1,054,584	461,702	.....	1,536,023
Domestic equity	138,358	35,131,308	.....	.....	35,269,666
Limited partnerships	.....	9,041,609	.....	.....	9,041,609
Equity group trust	.....	1,235	.....	.....	1,235
International equity	442	35,457,952	.....	.....	35,458,394
Deferred compensation annuities	.....	41,036	.....	.....	41,036
Other investments	.....	1,017	.....	100	1,117
Total investments	<b>258,312</b>	<b>143,306,643</b>	<b>6,094,774</b>	<b>156,846</b>	<b>149,816,575</b>
<b>Receivables</b>					
Accounts receivable	24,654	8,937	.....	485,184	518,775
State contributions receivable	.....	82,431	.....	.....	82,431
Nonstate contributions receivable	113	348,184	.....	.....	348,297
Interest receivable	1,613	195,947	2,690	4,467	204,717
Dividends receivable	153	174,636	.....	.....	174,789
Pending investment sales	364	2,635,730	.....	.....	2,636,094
Forward contracts	.....	190,593	.....	.....	190,593
Due from state funds	14	64	.....	70,196	70,274
Due from other governments	24,070	.....	.....	.....	24,070
Total receivables	<b>50,981</b>	<b>3,636,522</b>	<b>2,690</b>	<b>559,847</b>	<b>4,250,040</b>
Security lending collateral	28,897	4,453,438	.....	.....	4,482,335
Advances to other funds	649,367	.....	.....	.....	649,367
Advances to other entities	1,137,164	.....	.....	.....	1,137,164
Loans receivable	.....	.....	.....	.....	.....
Capital assets	30,917	893	.....	.....	31,810
Accumulated depreciation	(843)	(515)	.....	.....	(1,358)
Other assets	3,568	8,144	17	.....	11,729
Total assets	<b>2,710,031</b>	<b>151,814,122</b>	<b>7,845,815</b>	<b>2,157,209</b>	<b>164,527,177</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	15,487	70,702	157	616,776	703,122
Due to other funds	6,658	19,399	30	93,990	120,077
DROP	.....	2,543,636	.....	.....	2,543,636
Pending investment purchases	723	6,674,280	.....	.....	6,675,003
Short sell obligations	.....	1,377,134	.....	.....	1,377,134
Forward contracts payable	.....	190,879	.....	.....	190,879
Broker rebate fees	.....	106	.....	.....	106
Due to other governments	7,467	.....	215	520,807	528,489
Due to component units/primary	.....	.....	.....	.....	.....
Obligations under security lending agreements	87,360	4,567,839	189,319	79,963	4,924,481
Claims payable	8,356	2,984	.....	16,673	28,013
Deposits payable	3,427	7,975	.....	829,000	840,402
Compensated absences	354	1,042	.....	.....	1,396
Other liabilities	23,734	5,729	.....	.....	29,463
Total liabilities	<b>153,566</b>	<b>15,461,705</b>	<b>189,721</b>	<b>2,157,209</b>	<b>17,962,201</b>
<b>NET ASSETS</b>					
Held in trust for pension benefits and other purposes	<b>\$ 2,556,465</b>	<b>\$ 136,352,417</b>	<b>\$ 7,656,094</b>	<b>\$ .....</b>	<b>\$ 146,564,976</b>

The notes to the financial statements are an integral part of this statement.

**2011 STATE OF FLORIDA CAFR**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
(in thousands)

	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Totals 6/30/11
<b>ADDITIONS</b>				
<u>Contributions and other deposits</u>				
Pension fund contributions - state	\$ ..... 988,646	\$ ..... 988,646	\$ ..... 988,646	\$ ..... 988,646
Pension fund contributions - nonstate	..... 3,032,458	..... 3,032,458	..... 3,032,458	..... 3,032,458
Employer/employee contributions	..... 148,486	..... 148,486	..... 148,486	..... 148,486
Purchase of time by employees	..... 93,567	..... 93,567	..... 93,567	..... 93,567
Fees	1,776 1,324	1,324	..... 3,100	..... 3,100
Grants and contributions	252,741 .....	..... 252,741	..... 252,741	..... 252,741
Flexible benefits contributions	..... 250,740	..... 250,740	..... 250,740	..... 250,740
Fines, forfeits, settlements and judgments	246 .....	17,487	17,487	17,733
Unclaimed property remittances	346,604 .....	..... 346,604	..... 346,604	..... 346,604
Receivership assets acquired	60,416 .....	..... 60,416	..... 60,416	..... 60,416
Transfers in from state funds	1,771 1,216,712	67,268	1,285,751	1,285,751
Total contributions and other deposits	<b>663,554</b>	<b>5,731,933</b>	<b>84,755</b>	<b>6,480,242</b>
<u>Investment income</u>				
Interest income	15,119 1,186,359	57,860	1,259,338	1,259,338
Dividends	2,236 1,807,339	..... 1,809,575	..... 1,809,575	..... 1,809,575
Other investment income	373 458,256	..... 458,629	..... 458,629	..... 458,629
Net increase (decrease) in fair market value	28,280 22,346,098	31,541	22,405,919	22,405,919
Total investment income	<b>46,008</b>	<b>25,798,052</b>	<b>89,401</b>	<b>25,933,461</b>
Investment activity expense	<b>(1,062)</b>	<b>(341,397)</b>	<b>(3,487)</b>	<b>(345,946)</b>
Net income (loss) from investing activity	<b>44,946</b>	<b>25,456,655</b>	<b>85,914</b>	<b>25,587,515</b>
<u>Security lending activity</u>				
Security lending income	100 45,724	..... 45,824	..... 45,824	..... 45,824
Security lending expense	(29) (12,269)	..... (12,298)	..... (12,298)	..... (12,298)
Net income from security lending	71 33,455	..... 33,526	..... 33,526	..... 33,526
Total net investment income	<b>45,017</b>	<b>25,490,110</b>	<b>85,914</b>	<b>25,621,041</b>
Other additions	9,186 2,871	..... 12,057	..... 12,057	..... 12,057
Total additions	<b>717,757</b>	<b>31,224,914</b>	<b>170,669</b>	<b>32,113,340</b>
<b>DEDUCTIONS</b>				
Benefit payments	..... 8,084,915	..... 8,084,915	..... 8,084,915	..... 8,084,915
Insurance claims expense	43,264 56	..... 43,320	..... 43,320	..... 43,320
Supplemental insurance payments	..... 68,192	..... 68,192	..... 68,192	..... 68,192
Flexible reimbursement payments	..... 27,084	..... 27,084	..... 27,084	..... 27,084
Life insurance premium payments	..... 33,666	..... 33,666	..... 33,666	..... 33,666
Remittances to annuity companies	..... 219,499	..... 219,499	..... 219,499	..... 219,499
Interest expense	1,412 3	..... 1,415	..... 1,415	..... 1,415
Student loan default payments	225,748 .....	..... 225,748	..... 225,748	..... 225,748
Payments to unclaimed property claimants	190,240 .....	..... 190,240	..... 190,240	..... 190,240
Distribution to State School Fund	48,473 .....	..... 48,473	..... 48,473	..... 48,473
Administrative expense	23,796 45,706	57	69,559	69,559
Property disposition gain (loss)	3 1	..... 4	..... 4	..... 4
Transfers out to state funds	4,083 1,244,786	67,268	1,316,137	1,316,137
Other deductions	37,305 224	..... 37,529	..... 37,529	..... 37,529
Total deductions	<b>574,324</b>	<b>9,724,132</b>	<b>67,325</b>	<b>10,365,781</b>
<u>Depositor activity</u>				
Deposits	21,860 .....	15,255,091	15,276,951	15,276,951
Withdrawals	(31,970) .....	(14,540,680)	(14,572,650)	(14,572,650)
Excess (deficiency) of deposits over withdrawals	<b>(10,110)</b>	<b>714,411</b>	<b>704,301</b>	<b>704,301</b>
Change in net assets	133,323 21,500,782	817,755	22,451,860	22,451,860
Net assets - beginning	<b>2,423,142</b>	<b>114,851,635</b>	<b>6,838,339</b>	<b>124,113,116</b>
Net assets - ending	<b>\$ 2,556,465</b>	<b>\$ 136,352,417</b>	<b>\$ 7,656,094</b>	<b>\$ 146,564,976</b>

The notes to the financial statements are an integral part of this statement.

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## **COMPONENT UNIT FINANCIAL STATEMENTS**

### **Major Component Units**

#### **FLORIDA HOUSING FINANCE CORPORATION**

Pursuant to Section 420.504, Florida Statutes, this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida.

#### **UNIVERSITY OF FLORIDA**

University of Florida is a major, public, comprehensive, land-grant, research university with a main campus location in Gainesville, Florida.

#### **CITIZENS PROPERTY INSURANCE CORPORATION**

Pursuant to Section 627.351(6), Florida Statutes, this corporation was created to provide certain residential property, non-residential property, and casualty insurance coverage to qualified risks in the State of Florida under specified circumstances.

### **Nonmajor Component Units**

Nonmajor component units are presented beginning on page 235.

**2011 STATE OF FLORIDA CAFR**

**STATEMENT OF NET ASSETS**

**COMPONENT UNITS**

**JUNE 30, 2011**

(in thousands)

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units
<b>ASSETS</b>				
Cash and cash equivalents	\$ 812,363	\$ 200,355	\$ 1,877,644	\$ 1,248,964
Pooled investments with State Treasury	302,905	983,471	.....	1,580,879
Other investments	2,510,218	2,239,646	9,563,885	4,694,232
Receivables, net	129,035	465,955	340,769	1,015,777
Due from component units/primary	.....	114,757	.....	714,579
Inventories	.....	28,325	.....	39,056
Restricted cash and cash equivalents	.....	2,075	13,651	492,149
Restricted pooled investments with State Treasury	.....	103,333	.....	484,028
Restricted investments	.....	1,526	.....	2,067,161
Other loans and notes receivable, net	2,983,183	37,314	567,640	79,062
Other assets	47,184	280,697	252,270	296,900
Capital assets, net	66	2,825,223	10,809	18,386,865
Total assets	6,784,954	7,282,677	12,626,668	31,099,652
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	117,558	372,455	1,001,456	1,646,032
Due to component units/primary	.....	80,434	.....	155,350
Deferred revenues	75,667	110,978	.....	428,663
Long-term liabilities				
Due within one year	756,226	124,582	2,222,947	385,853
Due in more than one year	3,905,774	1,253,680	3,902,595	3,722,441
Total liabilities	4,855,225	1,942,129	7,126,998	6,338,339
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	66	2,004,378	10,809	15,704,739
Restricted for				
Debt service	.....	4,863	.....	69,171
Other	1,810,944	968,740	.....	1,325,812
Funds held for permanent endowment				
Expendable	.....	261,581	.....	1,641,395
Nonexpendable	.....	1,085,600	.....	2,046,738
Unrestricted	118,719	1,015,386	5,488,861	3,973,458
Total net assets	\$ 1,929,729	\$ 5,340,548	\$ 5,499,670	\$ 24,761,313

The notes to the financial statements are an integral part of this statement.

Totals  
6/30/11

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\$	4,139,326
	2,867,255
	19,007,981
	1,951,536
	829,336
	67,381
	507,875
	587,361
	2,068,687
	3,667,199
	877,051
	21,222,963
	<hr/> <u>57,793,951</u>

3,137,501
235,784
615,308
<hr/>
3,489,608
<hr/>
12,784,490
<hr/>
20,262,691

17,719,992
74,034
4,105,496
1,902,976
3,132,338
10,596,424
<hr/>
<u>\$ 37,531,260</u>

**2011 STATE OF FLORIDA CAFR**

**STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Functions/Programs	Expenses	Program Revenues			Florida Housing Finance Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Florida Housing Finance Corporation	\$ 596,621	\$ 323,950	\$ .....	\$ .....	\$ (272,671)
University of Florida	4,658,090	2,620,444	1,312,423	73,977	.....
Citizens Property Insurance Corporation	1,325,071	1,971,714	.....	.....	.....
Nonmajor component units	10,803,041	2,748,891	4,054,473	926,420	.....
Total component units	<u>\$ 17,382,823</u>	<u>\$ 7,664,999</u>	<u>\$ 5,366,896</u>	<u>\$ 1,000,397</u>	<u>(272,671)</u>

General revenues

Property taxes	.....
Investment earnings (loss)	.....
Gain (loss) on sale of capital assets	.....
Payments from the State of Florida	.....
Miscellaneous	488,469
Contributions to permanent funds	.....
Total general revenues and contributions	<u>488,469</u>
Change in net assets	<u>215,798</u>
Net assets - beginning	1,713,931
Adjustments to increase (decrease) beginning net assets	.....
Net assets - ending	<u>\$ 1,929,729</u>

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets					
University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals	6/30/11	
\$ .....	\$ .....	\$ .....	\$ (272,671)		
(651,246)	.....	.....	(651,246)		
.....	646,643	.....	646,643		
.....	.....	(3,073,257)	(3,073,257)		
(651,246)	646,643	(3,073,257)	(3,350,531)		
.....	.....	790,649	790,649		
338,441	116,644	635,635	1,090,720		
3,915	.....	(7,976)	(4,061)		
617,546	.....	2,633,863	3,251,409		
40,940	288,845	481,573	1,299,827		
45,472	.....	24,082	69,554		
1,046,314	405,489	4,557,826	6,498,098		
395,068	1,052,132	1,484,569	3,147,567		
4,594,656	4,447,538	23,276,744	34,032,869		
350,824	.....	.....	350,824		
\$ 5,340,548	\$ 5,499,670	\$ 24,761,313	\$ 37,531,260		

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The State of Florida's (the state's) financial reporting entity includes the primary government (i.e., legislative agencies, the Governor and Cabinet, departments and agencies, commissions and boards of the Executive Branch, and various offices relating to the Judicial Branch) and its component units.

Component units, as defined in Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*, and Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, are legally separate organizations for which the elected officials of the state are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading or incomplete.

### Blended Component Units

A component unit is reported as blended when either (1) the component unit's governing body is substantively the same as the governing body of the state or (2) the component unit provides services entirely, or almost entirely, to the state or otherwise exclusively, or almost exclusively, benefits the state even though the component unit does not provide services directly to the state.

The state's blended component units are:

- Citrus Commission (Department of Citrus)
- Corrections Foundation, Inc.
- Florida Board of Governors
- Florida Clerks of Court Operations Corporation
- Florida Engineers Management Corporation
- Florida Prepaid College Board
- Florida School for the Deaf and the Blind
- Florida State Board of Administration (SBA)
- Florida Surplus Lines Service Office
- Florida Water Pollution Control Financing Corporation
- Inland Protection Financing Corporation
- Prescription Drug Monitoring Program Foundation\*
- Scripps Florida Funding Corporation
- Space Florida
- State Board of Education (SBE)
- Wireless Emergency Telephone System
- Workforce Florida, Inc.

Blended component units that are considered major funds are reported in separate columns in the fund financial statements. Other blended component units that are considered nonmajor funds are reported with other funds in the appropriate columns in the fund financial statements. In addition, the financial data for some blended component units (i.e., State Board of Administration) are reported in more than one fund type, some of which are considered major and others that are considered nonmajor. Refer to Section D of this note for more information on the determination criteria for major funds and a list of major funds and fund types.

\* The state's financial statements do not include amounts relating to this component unit. The assets of this component unit at June 30, 2011 are approximately \$110,000.

### Discretely Presented Component Units

Component units that are not blended are discretely presented. In the government-wide financial statements, discrete presentation entails reporting component unit financial data in a column separate from the financial data of the state.

In addition, financial data for discretely presented component units that are considered major are reported in separate columns in the basic financial statements for component units. Discretely presented component units that are considered nonmajor are combined and reported in one column in the component unit financial statements and are aggregated by type in the combining

statements. The state's financial statements are reported for the fiscal year ended June 30, 2011. The state's component units' financial statements are reported for the most recent fiscal year for which an audit report is available. Some component units have a fiscal year other than June 30. Accordingly, amounts reported by the state as due from and to component units on the statement of net assets may not agree with amounts reported by the component units as due from and to the state. Refer to Section D of this note for more information on major fund determination and presentation. The state's discretely presented component units are grouped into the following categories:

***State Universities and Colleges.*** State universities and colleges receive funding from the state. The State University System is governed by the Florida Board of Governors. The Florida College System is governed by the State Board of Education. Each university and college is administered by a local board of trustees. All state universities and colleges have a June 30 year-end. Component units included in this category are:

***State Universities***

***Major:***

- University of Florida

***Nonmajor:***

- Florida Agricultural and Mechanical University
- Florida Atlantic University
- Florida Gulf Coast University
- Florida International University
- Florida State University
- New College of Florida
- University of Central Florida
- University of North Florida
- University of South Florida
- University of West Florida

***Florida College System Institutions***

***Nonmajor:***

- Brevard Community College
- Broward College
- Chipola College
- College of Central Florida
- Daytona State College
- Edison State College
- Florida Gateway College
- Florida Keys Community College
- Florida State College at Jacksonville
- Gulf Coast State College
- Hillsborough Community College
- Indian River State College
- Lake-Sumter Community College
- Miami Dade College
- North Florida Community College
- Northwest Florida State College
- Palm Beach State College
- Pasco-Hernando Community College
- Pensacola State College
- Polk State College
- Santa Fe College
- Seminole State College of Florida
- South Florida Community College
- St. Johns River State College
- St. Petersburg College
- State College of Florida, Manatee-Sarasota
- Tallahassee Community College
- Valencia Community College

**Florida Housing Finance Corporation (Major).** Pursuant to Section 420.504, Florida Statutes (F.S.), this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida. This entity has a December 31 year-end.

**Water Management Districts.** Pursuant to Section 373.069, F.S., these districts were created to provide for the management and conservation of water and related land resources. In addition, the general regulatory and administrative functions of the districts are either fully or in part financed by general appropriations. Water management districts have a September 30 year-end. Component units included in this category are:

**Nonmajor:**

- Northwest Florida Water Management District
- St. Johns River Water Management District
- South Florida Water Management District
- Southwest Florida Water Management District
- Suwannee River Water Management District

**Citizens Property Insurance Corporation (Major).** Pursuant to Section 627.351(6), F.S., this corporation was created to provide certain residential property and casualty insurance coverage to qualified risks in the state under specified circumstances. This entity has a December 31 year-end. For additional information, refer to Note 14B.

**Other.** Additional discretely presented component units of the state include various foundations and not-for-profit organizations. The fiscal year-ends of these component units may vary. Component units included in this category are:

**Nonmajor:**

- Commission for Florida Law Enforcement Accreditation, Inc.\*
- Enterprise Florida, Inc.
- Florida Agricultural Museum\*
- Florida Agriculture Center and Horse Park Authority\*
- Florida Agriculture in the Classroom, Inc.\*
- Florida Birth-Related Neurological Injury Compensation Plan
- Florida Black Business Investment Board, Inc.\*
- Florida Board of Governors Foundation, Inc.\*
- Florida Comprehensive Health Association
- Florida Development Finance Corporation\*
- Florida Education Foundation, Inc.\*
- Florida Education Fund, Inc.
- Florida Fund for Minority Teachers, Inc.\*
- Florida Healthy Kids Corporation
- Florida Mobile Home Relocation Corporation\*
- Florida Patient's Compensation Fund
- Florida Sports Foundation, Inc.\*
- Florida State Fair Authority
- Florida Telecommunications Relay, Inc.\*
- Florida Tourism Industry Marketing Corporation, Inc.
- Florida Veterans Foundation, Inc.\*
- Florida Virtual School
- Forestry Arson Alert Association, Inc.\*
- Friends of Florida State Forests, Inc.\*
- Higher Educational Facilities Financing Authority\*
- Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE)
- South Florida Regional Transportation Authority (formerly Tri-County Commuter Railroad Authority)
- Technological Research and Development Authority\*
- The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
- Wildlife Alert Reward Association\*
- Wildlife Foundation of Florida, Inc.\*

\*The state's financial statements do not include amounts relating to several component units. The assets and revenues relating to these component units totaled \$66 million and \$118 million, respectively. These amounts represent less than one percent of total aggregate component unit assets and revenues.

### **Joint Ventures**

A joint venture is an organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (1) an ongoing financial interest or (2) an ongoing financial responsibility. Financial data for the state's joint ventures are not included in its statements. The state's joint ventures include the following:

***Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission.*** Section 373.69, F.S., provided for the creation of an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the Commission is equally shared among the party states.

***Board of Control for Southern Regional Education.*** Section 1000.32, F.S., promotes the development and maintenance of regional education services and facilities in the southern states to provide greater educational advantages and facilities for the citizens in the region. The states established a joint agency called the Board of Control for Southern Regional Education to submit plans and recommendations to the states from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation, and maintenance of educational facilities in the region.

***Regional Planning Councils.*** Sections 186.501 through 186.513, F.S., the "Florida Regional Planning Council Act," provide for the creation of regional planning agencies to assist local governments in resolving their common problems. The regional planning councils are designated as the primary organizations to address problems and plan solutions that are of greater-than-local concern or scope. Participants in these councils are required by statutes to contribute to the support of these programs.

***Southern States Energy Compact.*** Section 377.711, F.S., enacted this compact into law joining the State of Florida and other states to recognize that proper employment and conservation of energy and employment of energy-related facilities, materials, and products can assist substantially in the industrialization of the South and the development of a balanced economy in the region. The State of Florida appropriates funds to support Florida's participation in the compact.

### **Related Organizations**

Organizations for which the state is accountable because the state appoints a voting majority of the board, but for which the state is not financially accountable, are related organizations. The state's related organizations include certain transportation authorities, hospital districts, port authorities, and aviation authorities. Since the state is not financially accountable for any of these organizations, applicable financial data is not included in the state's financial statements.

### **Contact**

Financial statements of the component units that issue separate statements and other financial statement-related information may be obtained from:

Department of Financial Services  
Bureau of Accounting  
Statewide Financial Reporting Section  
200 East Gaines Street  
Tallahassee, Florida 32399-0354  
Telephone: (850) 413-5511  
Department Website: <http://www.myfloridacfo.com>

Joint ventures may be contacted directly for their financial statements.

### **B. Basic Financial Statements**

The state's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. The basic financial statements of the state, including its component units, are presented in the required format discussed below.

## Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its discretely presented component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function. Some functions may include administrative overhead that is essentially indirect expenses of other functions. The state currently does not allocate those indirect expenses to other functions. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function. Taxes and other items not included in program revenues are reported in general revenues.

## Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

### C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues collected within 60 days of the end of the current fiscal year are considered available, with the exception of certain tax revenues, which are considered available when collected within 30 days of year-end. For governmental funds, certain long-term liabilities, such as compensated absences, due within 60 days of the end of the current fiscal year are expected to be liquidated with expendable financial resources and are recognized within the applicable governmental fund. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures for insurance and similar services extending over more than one fiscal year generally are accounted for as expenditures of the fiscal year of acquisition. Further, principal and interest on general long-term debt are recognized when due.

Under GASB Codification Section P80, *Proprietary Fund Accounting and Financial Reporting*, the state, for business-type activities and enterprise funds, has the option to elect to apply all pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements. The state has elected not to apply FASB pronouncements issued after the applicable date.

### D. Basis of Presentation

#### Major Funds

GASB Codification Section 2200, *Comprehensive Annual Financial Report*, sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses for either fund category or the governmental and enterprise funds combined) for the determination of major funds. GASB Codification Section 2200 further requires that the reporting government's main operating fund (the General Fund) always be reported as a major fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements. The state reports the following major funds:

#### Major Governmental Funds

**General Fund** – accounts for the financial resources of the state, except those required to be accounted for in another fund. This is the state's primary operating fund.

**Environment, Recreation and Conservation** – a special revenue fund, accounts for the operations of various programs such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation.

**Public Education** – a special revenue fund, includes funds used to operate education-related programs.

**Health and Family Services** – a special revenue fund, includes funds used to operate various health and family service-related programs such as health care, elder affairs, and child support.

**Transportation** – a special revenue fund, accounts for the maintenance and development of the state highway system and other transportation-related projects.

### **Major Business-type Funds**

**Transportation** – an enterprise fund, primarily accounts for operations of the Florida Turnpike.

**Lottery** – an enterprise fund, accounts for state lottery operations, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Educational Enhancement Trust Fund.

**Florida Hurricane Catastrophe Fund** – an enterprise fund, accounts for investments for the Florida Hurricane Catastrophe Fund, which was created to help cover insurers' losses in the event of a hurricane disaster.

**Prepaid College Program** – an enterprise fund, accounts for payments from purchasers of the Florida Prepaid College Program. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

**Unemployment Compensation** – an enterprise fund, accounts for contributions, benefit payments, grants, loans, and investments for the Unemployment Compensation Fund, which was created to pay unemployment benefits to eligible individuals.

### **Fund Types**

Additionally, the state reports the following fund types:

#### **Internal Service Funds**

These proprietary-type funds are primarily used to report activities that provide goods or services to other funds or agencies within the state, rather than to the general public. Internal service funds are classified into the following categories:

- **Employee Health and Disability** - includes funds that account for state employees' health and disability plans.
- **Data Centers** - accounts for services provided by data processing centers operated by various agencies.
- **Communications and Facilities** - primarily accounts for services provided by the Department of Management Services such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the SUNCOM (state communication) Network.
- **Other** - accounts for services provided to other state agencies such as legal services, records management, and community services (inmate work squads).

#### **Fiduciary Fund Types**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the state's own programs.

**Private-Purpose Trust Funds** - used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments including funds accounting for unclaimed property; federally guaranteed, higher education loans; contributions to a college savings plan; and various others.

**Pension and Other Employee Benefits Trust Funds** - used to report resources that are required to be held in trust for the members and beneficiaries of the state's pension plans and other employee benefit plans.

**Agency Funds** - used to report resources held by the state in a purely custodial capacity. For example, these funds account for asset and liability balances related to retiree health care, taxes collected and held by the Department of Revenue for other entities, and student funds held by the School for Deaf and Blind.

**Investment Trust Funds** - used to report the external portion of investment pools reported by the state.

## E. Assets, Liabilities, and Net Assets or Fund Balance

### Cash and Cash Equivalents

The state's cash includes cash on hand and on deposit in banks, including demand deposits, certificates of deposit, and time deposits. Most deposits are held by financial institutions qualified as public depositories under Florida law. Cash equivalents are short-term, highly liquid investments. For the purposes of GASB Codification Section 2450, *Cash Flow Statements*, pooled investments with the State Treasury are considered cash equivalents. Details of deposits are included in Note 2.

### Investments

Florida Statutes authorize the state to invest in various instruments. The state reports investments in accordance with GASB Codification Section I50, *Investments*.

Investments with the State Treasury are reported at fair value which is obtained from independent pricing service providers. Independent pricing service providers use quoted market prices when available and employ various, sometimes proprietary, multifactor models for determining a security's fair value if it is not available from quoted market prices. Some securities including U.S. government, municipal bonds, and mortgage-backed and asset-backed securities are priced using evaluated bid prices. Evaluated bid prices are determined by taking bid prices and adjusting them by an evaluated adjustment factor derived from the independent pricing service's multifactor model. If values are not available using the above methods, secondary methods such as non-evaluated mid price and bid price are used. If no source of values is available, cost or last available price from any source is used, or other pricing methodology as directed by the State Treasury.

Investments managed by the State Board of Administration (SBA) are reported in various funds. Investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost. Investments of the Local Government Surplus Funds Trust Fund (LGIP) are reported based on amortized cost and disclosed in Note 2 at fair value. Other investments managed by the SBA, including those related to the state's defined benefit and defined contribution pension plans, are reported at fair value at the reporting date.

For SBA-managed investments, fair values are obtained or estimated in accordance with the Global Pricing Guidelines established with the SBA's custodian, BNY Mellon Bank. BNY Mellon Bank uses a variety of independent pricing vendors and designates certain vendors as the primary source based on asset type, class or issue. BNY Mellon Bank monitors prices supplied by primary sources and may use a supplemental price source or change the primary price source if any of the following occurs:

- The price of a security is not received from the primary price source.
- The primary price source no longer prices a particular asset type, class or issue.
- The SBA or its portfolio investment manager challenges a price and BNY Mellon Bank reviews the price with the vendor, who agrees that the price provided by that vendor may not be appropriate.
- The price from the primary source exceeds BNY Mellon Bank's price tolerance checkpoints and results in a vendor comparison review where another source is deemed to be more appropriate by the BNY Mellon Bank.

When a portfolio includes securities or instruments for which BNY Mellon Bank does not receive a price from its vendor price sources, BNY Mellon Bank uses a "non-vendor price source." Examples include, but are not limited to, limited partnerships or similar private investment vehicles that do not actively trade through established exchange mechanisms; other private placements where there is no or limited information in the market place; and unique fixed income and equity instruments. In such cases where the securities or instruments are in the portfolio of an investment manager, BNY Mellon Bank will obtain the non-vendor price by either contacting the manager of the investment vehicle where the security is a private vehicle, e.g., the "General Partner" of a Limited Partnership, or by contacting the investment manager which directed the purchase of the security or other instrument to obtain direction as to a price. The SBA does not provide direction regarding the substitution of prices in such instances where securities or instruments are in the portfolio of an investment manager appointed by the SBA. In such cases where the SBA directed the purchase of such securities or instruments, BNY Mellon Bank may obtain the non-vendor price by contacting the SBA only if it is not commercially reasonable to directly obtain the non-vendor price from the

broker of record, as identified by the SBA. BNY Mellon Bank performs a limited reasonableness review of non-vendor prices by comparing the current month-end price to the prior month-end price.

Real estate investments are based on independent appraisals or more recent appraisals provided by real estate investment advisors, adjusted by subsequent cash flows (i.e. contributions and withdrawals). Because of the inherent uncertainty of the valuation using pricing methodologies other than the quoted prices, the estimated fair values may differ from the values that would have been used had a ready market existed.

Investment detail is included in Note 2.

### **Inventories**

Inventories primarily consist of expendable supplies. Inventories are recorded according to the consumption method as expenditures when consumed. At the end of the fiscal year, inventory is reported as an asset and identified in fund balance as nonspendable. The method used to determine the cost of inventories varies by agency responsible for the inventories.

### **Capital Assets**

Capital assets are real, personal, and intangible property that have a cost equal to or greater than an established capitalization threshold and have an estimated useful life extending beyond one year. For additional information, refer to Note 5.

### **Long-term Liabilities**

Refer to Note 8 for information on bonds payable and certificates of participation, Note 9 for information on installment purchase contracts, capital leases and advances from Federal Government, and Note 10 for changes in long-term liabilities.

### **Compensated Absences Liability**

Employees earn the right to be compensated during absences for vacation and illness as well as for unused special compensatory leave earned for hours worked on legal holidays and other specifically authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from state service. The amounts reported for compensated absences are based on current year-end salary rates and include employer Social Security and Medicare tax and pension contributions at current rates.

### **Net Assets**

The government-wide statement of net assets classifies net assets into the following categories: (1) invested in capital assets, net of related debt, (2) restricted, and (3) unrestricted. The “invested in capital assets, net of related debt” component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net assets are reported as “restricted” when constraints placed on net asset use are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. “Unrestricted” net assets consist of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.” When both restricted and unrestricted resources are to be used for the same purpose, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources. At June 30, 2011, the government-wide statement of net assets report \$13.1 billion of restricted net assets, of which \$10.2 billion is restricted by enabling legislation.

### **Components of Fund Balance**

The fund balance amounts for governmental funds have been reclassified in accordance with GASB Statement No. 54. As a result, amounts previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, or unassigned.

**Nonspendable fund balance** includes amounts that cannot be spent. This includes activity that is not in a spendable form such as inventories, prepaid amounts, and, in the general fund, long-term portion of loans/notes receivable unless the proceeds are restricted, committed or assigned. Additionally, activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund, is considered to be nonspendable.

**Restricted fund balances** have constraints placed upon the use of the resources either by an external party, such as the federal government, or imposed by law through a constitutional provision or enabling legislation.

**Committed fund balance** includes amounts that can be used only for the specific purposes determined by a formal action of the state's highest level of decision-making authority, the Legislature and the Governor, i.e. through legislation passed into law. Commitments may only be modified or rescinded by equivalent formal, highest-level action.

**Unassigned fund balance** is the residual amount of the General Fund not included in the three categories described above. Also, any remaining deficit fund balances within the other governmental fund types are reported as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the state's general policy to use restricted resources first. When expenditures are incurred for which unrestricted (committed or unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the state's general policy to spend committed resources first. However, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources.

Fund Balances Classifications and Special Revenue by Purpose – The Governmental Accounting Standards Board, in Statement No. 54, requires presentation of governmental fund balances and special revenue fund revenues by specific purpose. In the basic financial statements, the fund balance classifications are presented in the aggregate. The table presented below displays further detail of nonspendable fund balance and appropriation of resources existing at June 30, 2011 (in thousands).

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Inventory and Prepaid Items	\$ 11,994	\$ 937	\$ .....	\$ 35,153	\$ 9,884	\$ 1,921	\$ 59,889
Long-term Receivables and Advances	64,560	.....	.....	.....	.....	.....	64,560
Permanent Fund Principal	.....	.....	.....	.....	.....	12,072	12,072
Total	76,554	937	.....	35,153	9,884	13,993	136,521
<b>Restricted:</b>							
Grantors/Contributors	.....	35,565	21,133	11,484	18,574	31,895	118,651
Enabling Legislation	15,104	39,156	.....	654	160,092	232,764	447,770
Constitutional Provision	.....	.....	800,853	.....	.....	1,181	802,034
Creditors	9,418	.....	.....	5,950	.....	1,549,372	1,564,740
Federal Government	28,245	1,514,609	.....	30,729	.....	111,712	1,685,295
Total	52,767	1,589,330	821,986	48,817	178,666	1,926,924	4,618,490
<b>Committed:</b>							
	887,891	772,843	286,342	2,161,195	1,251,592	1,126,575	6,486,438
<b>Unassigned:</b>							
Total Fund Balances	\$ 3,627,168	\$ 2,363,110	\$ 1,108,328	\$ 2,245,165	\$ 1,440,142	\$ 3,067,492	\$ 13,851,405

Section 215.32(2)(b)4.a, Florida Statutes, provides that the unappropriated cash balances from selected trust funds may be authorized by the Legislature for transfer to the State School Trust Fund, Budget Stabilization Fund, and General Revenue Fund through the General Appropriation Act. The amounts indicated below were identified in the State's 2011-12 General Appropriations Act as being unappropriated June 30, 2011, cash balances that are to be transferred to and from the funds indicated during the 2011-12 fiscal year.

Transfer to (from) Fund	197,794	(57,600)	150,000	(58,000)	(150,000)	(82,194)	-
Transfer from Non-Governmental Funds	171,137	.....	.....	.....	.....	.....	171,137
Totals	368,931	(57,600)	150,000	(58,000)	(150,000)	(82,194)	171,137

**F. Interfund Activity and Balances**

The effect of interfund activities, except those between funds reported as governmental activities and funds reported as business-type activities, has been eliminated from the government-wide statements. In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. Transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers between funds are made to accomplish various provisions of law.

Interfund receivables and payables have been eliminated from the statement of net assets, except for the residual amounts due between governmental and business-type activities.

For additional information, refer to Note 11.

**G. Nonmonetary Transactions**

The state participates in various activities that are, in part, represented by nonmonetary transactions. Examples include nonmonetary assistance in the form of Federal grants, such as vaccines, Electronic Benefit Transfer (EBT) cards for food assistance, and donated food commodities. The state also acts as an agent for the United States Department of Agriculture in the distribution of donated food commodities to qualifying organizations outside the state's reporting entity. The fair value of these items is reported in the governmental fund financial statements.

State Attorneys and Public Defenders of the State of Florida are furnished certain office space and other services by counties under the provisions of Chapter 29, F.S. Some counties also provide certain facilities and services to other officers and staff of the judicial branch. The value of the facilities and services provided by the counties is not reported as revenue.

**H. Operating and Nonoperating Revenues**

Proprietary funds distinguish operating and nonoperating revenues. Operating revenues typically derive from providing goods or services, and include all transactions involved in delivering those goods or services. These revenues are a direct result of exchange-type transactions associated with the principal activity of the fund. Cash flow resulting from capital and related financing, noncapital financing and investment activities are considered nonoperating for reporting purposes.

**I. Accounting and Reporting Changes****Accounting Changes**

The state implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The clarifications of the governmental fund type definitions should reduce uncertainty about which resources can or should be reported in the respective fund types. These new classifications include nonspendable, restricted, committed, and unassigned. The new fund balance classifications provided in Statement 54 are discussed in detail in Note 1, section E.

**J. Prior Period Adjustments**

Fund balances and net assets at July 1, 2010, have been increased as follows in relation to the activities of prior years (in thousands):

**COMPONENT UNITS****Major Component Units****University of Florida**

To increase beginning net assets due a change from FASB financial accounting and reporting to GASB financial accounting and reporting for Shands Hospitals

\$350,824

## K. Budget Stabilization Fund

The State Constitution mandates the creation and maintenance of a Budget Stabilization Fund, in an amount not less than 5% nor more than 10% of the last complete fiscal year's net revenue collections for the General Revenue Fund. Monies in the Budget Stabilization Fund may be transferred to the General Revenue Fund to offset a deficit therein or to provide emergency funding, including payment of up to \$38 million with respect to certain uninsured losses to state property. Monies in this fund are constitutionally prohibited from being obligated or otherwise committed for any other purposes. Any withdrawals from the Budget Stabilization Fund must be restored from general revenues in five equal annual installments, commencing in the third fiscal year after the expenditure, unless the Legislature establishes a different restoration schedule, in accordance with Section 215.32, F.S.

In prior fiscal years, the Florida Legislature authorized the transfer of funds from the Budget Stabilization Fund to the General Revenue Fund. These transfers are required to be repaid in accordance with Section 215.32, F.S. The Budget Stabilization Fund had \$279.2 million in cash at June 30, 2011. The planned repayment schedule is presented below. Both of these funds are included within the General Fund, therefore, pursuant to generally accepted governmental accounting principles, the Advances to other funds and Advances from other funds were eliminated.

Date	Authority	Borrowed	Repayment
9/11/2008	GAA 2008-2009 Section 77	\$ 672,407,249	\$ .....
2/20/2009	Senate Bill 2-A Section 51	400,000,000	.....
7/1/11-6/30/12		.....	214,481,450
7/1/12-6/30/13		.....	214,481,450
7/1/13-6/30/14		.....	214,481,450
7/1/14-6/30/15		.....	214,481,450
7/1/15-6/30/16		.....	214,481,450
Total		\$ 1,072,407,249	\$ 1,072,407,250

## NOTE 2 - DEPOSITS AND INVESTMENTS

### A. Deposits

At June 30, 2011, the state's deposits in financial institutions totaled approximately \$1.6 billion for primary government and \$4.5 billion for discretely presented component units.

#### 1. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the state will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The state mitigates custodial credit risk by generally requiring public funds to be deposited in a bank or savings association that is designated by the Chief Financial Officer (CFO) as authorized to receive deposits in the state and meets the collateral requirements as set forth in Chapter 280, Florida Statutes (F.S.).

The CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Section 280.04, F.S., and Chapter 69C-2, Florida Administrative Code. Collateral pledging levels include 25, 50, 125, and 200 percent of a QPD's average daily deposit balance, or, if needed, an amount as prescribed by the CFO. Section 280.13, F.S., outlines eligible types of collateral including direct obligations of the United States (U.S.) Government, federal agency obligations fully guaranteed by the U.S. Government, certain federal agency obligations, state and local government obligations, corporate bonds, and letters of credit issued by a Federal Home Loan Bank. Also, with the CFO's permission, eligible collateral includes collateralized mortgage obligations, real estate mortgage investment conduits and securities or other interests in any open-end management investment company registered under the Investment Company Act of 1940. However, the portfolio of the investment company must be limited to direct obligations of the U.S. Government and to repurchase agreements fully collateralized by such direct obligations of the U.S. Government, and the investment company must take delivery of such collateral either directly or through an authorized custodian.

In accordance with Section 280.08, F.S., if a QPD defaults, losses to public depositors are first satisfied with any applicable depository insurance, followed by demands of payment under any letters of credit or sale of the defaulting QPD's collateral. If necessary, any remaining losses are to be satisfied by assessments against the other participating QPDs according to a statutory based ratio.

At June 30, 2011, the following deposits were not secured pursuant to Chapter 280, F.S., and were exposed to custodial credit risk because they were uninsured and (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the state's name (in thousands).

#### Custodial Credit Risk

**As of June 30, 2011**

Custodial Credit Risk	Bank Statement Balance (in U.S. \$)	
	Primary Government	Component Units
(1)	\$ 322,461	\$ 243,458
(2)	72,286	857,053
(3)	.....	68,308
Total deposits subject to custodial credit risk	\$ 394,747	\$ 1,168,819

## 2. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Under Section 215.47, F.S., and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investments by the State Board of Administration (SBA) may be invested in fixed income obligations or stocks denominated in foreign currency. The SBA has developed a total fund investment plan for the investment of assets in the Florida Retirement System (FRS) Pension Trust Fund and the Lawton Chiles Endowment Fund (LCEF) that sets ranges on investments by asset class. In the FRS Pension Trust Fund, no current investment policy exists that limits investments in foreign equity securities that are not denominated in U.S. dollars. For the LCEF, total assets held in the foreign equities asset class are limited to a range of 6-18% of total investments with a target of 12%, other asset classes may hold non-U.S. securities as well, depending on portfolio guidelines. In both cases, Florida law limits the exposure to foreign securities to 35% of the total fund. The FRS and LCEF investment plans were adopted June 8, 2010 (and reaffirmed June 16, 2011), and March 24, 2009; respectively, and may be modified in the future if the SBA adopts changes. This investment activity in foreign investments resulted in deposits in foreign currency as of June 30, 2011, as illustrated in the following schedule (in thousands):

**Foreign Currency Deposits Held  
As of June 30, 2011**

Currency	Bank Statement Balance (in U.S. \$)		
	FRS Pension	LCEF	Total
	Trust Fund		
Australian dollar	\$ 3,610	\$ .....	\$ 3,610
Brazilian real	7,548	3	7,551
British pound sterling	16,346	34	16,380
Canadian dollar	8,934	62	8,996
Czech koruna	2,006	122	2,128
Danish krone	863	.....	863
Egyptian pound	619	.....	619
Euro currency unit	20,345	207	20,552
Hong Kong dollar	19,041	38	19,079
Indian rupee	7,549	.....	7,549
Indonesian rupiah	748	.....	748
Israeli shekel	572	1	573
Japanese yen	38,296	177	38,473
Malaysian ringgit	2,034	96	2,130
Mexican new peso	694	.....	694
Moroccan dirham	320	.....	320
Norwegian krone	1,643	.....	1,643
Singapore dollar	1,701	41	1,742
South African rand	2,028	47	2,075
South Korean won	1,813	.....	1,813
Swedish krona	2,583	.....	2,583
Swiss franc	10,490	2	10,492
Taiwan new dollar	26,487	8	26,495
Thailand baht	1,857	.....	1,857
Turkish new lira	2,514	.....	2,514
Other	1,662	9	1,671
Total deposits subject to foreign currency risk	\$ 182,303	\$ 847	\$ 183,150

## B. Investments

At June 30, 2011, the state's investments in governmental and business-type activities and fiduciary funds totaled \$194.4 billion, consisting of pooled investments with the State Treasury in the amount of \$15.9 billion and other investments in the amount of \$178.5 billion. The State Treasury also had holdings at June 30, 2011, of \$3.4 billion for discretely presented component units in total. These investments are not reported as part of the primary government and may be different from the amounts reported by some component units due to different reporting periods. Other investments for discretely presented component units totaled \$20.5 billion.

### *Pooled Investments with the State Treasury*

Unless specifically exempted by statute, all cash of the state must be deposited in the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize earnings. In addition, the State Treasury may invest funds of any board, association, or entity created by the State Constitution, or by law. As a result, pooled investments with the State Treasury contains deposits from funds and component units of the reporting entity (internal portion) as well as deposits from certain legally separate organizations outside the reporting entity (external portion). The external portion of pooled investments with the State Treasury is reported in a governmental external investment pool.

Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with State Treasury is provided by the Treasury Investment Committee per Section 17.575, F.S. The authorized investment types are set forth in Section 17.57, F.S.

Redemptions are on a dollar in/dollar out basis adjusted for distributed income. The fair value of the pooled investments with the State Treasury is determined at fiscal year end for financial reporting purposes.

The State Treasury does not contract with an outside insurer in order to guarantee the value of the portfolio, or the price of shares redeemed.

Per Section 17.61(1), F.S., the State Treasury shall invest all general revenue funds, trust funds and all agency funds of each state agency, and of the judicial branch. As a result, state agencies and the judicial branch are considered involuntary participants in pooled investments with the State Treasury. The total involuntary participation as of June 30, 2011, was \$14.1 billion or 73% of the pool.

At year end, the condensed financial statements for the Investment Pool maintained by the State Treasury were as follows (dollars in thousands):

#### **Condensed Statement of Fiduciary Net Assets** **June 30, 2011**

<b>ASSETS</b>	
Current and Other Assets	\$ 20,773,049
Total Assets	<u>20,773,049</u>
<b>LIABILITIES</b>	
Other Liabilities	3,564,135
Total Liabilities	<u>3,564,135</u>
<b>NET ASSETS</b>	
Net assets held for Internal Pool Participants	15,650,114
Net assets held for External Pool Participants	1,558,800
	<u>\$ 17,208,914</u>

#### **Statement of Changes in Fiduciary Net Assets** **June 30, 2011**

<b>ADDITIONS</b>	
Net income (loss) from investing activity	\$ 406,603
<b>DEDUCTIONS</b>	
Distributions paid and payable	(406,603)
<b>Depositor activity</b>	
Deposits	119,472,784
Withdrawals	(120,248,905)
Excess (deficiency) of deposits over withdrawals	(776,121)
Change in net assets	(776,121)
Net assets, beginning	17,985,035
Net assets, ending	<u>\$ 17,208,914</u>

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The following table provides a summary of the fair value, the number of shares or the principal amount, ranges of interest rates, and maturity dates of each major investment classification (dollars in thousands):

### Summary of Investment Holdings

	Par	Fair Value	Range of Interest Rates *	Range of Maturity Dates
Certificates of Deposit	\$ 183,190	\$ 183,326	0.29%-0.83%	8/3/2011-6/11/2012
Commercial Paper	837,708	837,686	0.02%-0.12%	7/1/2011-7/15/2011
Repurchase Agreements	1,846,020	1,846,020	0.00%-0.04%	7/1/2011
U.S. Guaranteed Obligations	3,605,324	3,589,329	0.38%-31.70%	7/31/2011-3/20/2061
Federal Agencies	3,873,215	3,941,089	0.13%-18.00%	7/1/2011-4/1/2056
Domestic Bonds & Notes	4,899,687	2,887,410	0.00%-10.38%	3/23/2009-7/1/2111
International Bonds & Notes	450,285	471,685	0.25%-10.75%	7/15/2011-12/20/2054
Federal Agency discounted securities	4,563,275	4,560,041	0.00%-5.00%	7/1/2011-8/15/2035
U.S. Guaranteed Obligations discounted securities	1,652,725	1,631,509	0.00%-0.30%	7/7/2011-5/15/2030
Unemployment compensation funds pooled with U.S. Treasury	<u>68,128</u>	<u>68,128</u>	N/A	N/A
<b>Totals</b>	<b><u>\$ 21,979,557</u></b>	<b><u>\$ 20,016,223</u></b>		

\* The coupon rate in effect at June 30, 2011, is reported. If a security is discounted, the purchase yield is reported.

The State Treasury records, as an investment, funds credited to the state's account in the Federal Unemployment Compensation Trust Fund pursuant to Section 903 of the Social Security Act. The fund is drawn upon primarily to pay unemployment compensation benefits. This money is pooled with deposits from other states and is managed by the Federal Government. No disclosures can be made of specific securities owned.

The schedule below discloses the detail of the State Treasury holdings and the fair value of each type of investment at June 30, 2011 (including security lending collateral investments), as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Pooled Investments with State Treasury**  
**As of June 30, 2011**

<b>Investment type</b>	<b>Fair Value</b>
Commercial paper	\$ 837,686
Repurchase agreements	371,398
U.S. guaranteed obligations	5,220,838
Federal agencies	8,389,122
Domestic bonds & notes	2,587,252
International bonds & notes	381,778
Unemployment compensation funds pooled with U. S. Treasury	68,128
Total investments excluding security lending collateral	<u>17,856,202</u>
Lending collateral investments:	
Certificates of deposit	183,326
Repurchase agreements	1,474,622
Federal agencies	112,008
Domestic bonds & notes	300,158
International bonds & notes	89,907
Total lending collateral investments	<u>2,160,021</u>
Total investments	<u>20,016,223</u>
Cash on hand	300
Cash on deposit	756,526
Total State Treasury holdings	<u>20,773,049</u>
Adjustments:	
Outstanding warrants	(712,245)
SPIA Revolving Account*	(7,140)
Unsettled securities liability	(684,470)
Reconciled balance, June 30, 2011	<u>\$ 19,369,194</u>

Reconciliation to the basic financial statements (in thousands):

Pooled investments with State Treasury	
Governmental activities	\$ 10,916,512
Business-type activities	1,182,805
Fiduciary funds	3,793,374
Component units	3,454,616
Component units timing difference	(19,659)
Total pooled investments with State Treasury	<u>19,327,648</u>
Restricted pooled investments with State Treasury (Business-type activities)	41,546
Total pooled investments with State Treasury	<u>\$ 19,369,194</u>

\* The SPIA Revolving Account is included as cash and cash equivalent by the agencies.

### **Other Investments**

Other investments in various funds of the state are primarily managed by the SBA. The largest of these funds managed by the SBA is the FRS Pension Trust Fund (Defined Benefit Pension Fund), whose total investments represented 77.1% of total other investments at June 30, 2011. Investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 6.0% and 5.6%, respectively, of total other investments. Section 215.47, F.S., allows the SBA to invest funds in a range of instruments, including security lending agreements and reverse repurchase agreements.

The schedule below discloses other investments at fair value and their total carrying value at June 30, 2011, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Other Investments**  
**As of June 30, 2011**

Investment type	Fair value			Total
	FRS Pension Trust Fund	Managed by SBA	Not managed by SBA	
Certificates of deposit	\$ 415,029	\$ 3,934,975	\$ 2,755	\$ 4,352,759
Commercial paper	6,948,139	5,226,380	.....	12,174,519
Money market funds	6,444	2,812,748	8,591	2,827,783
Repurchase agreements	1,000,000	3,170,000	.....	4,170,000
U.S. guaranteed obligations	7,962,851	7,617,554	31,516	15,611,921
Federal agencies	10,133,810	4,642,864	8,427	14,785,101
Domestic bonds & notes	9,114,050	1,565,981	1,089,074	11,769,105
Domestic bonds & notes commingled funds	.....	2,220,033	.....	2,220,033
International bonds & notes	3,202,165	396,587	207	3,598,959
Domestic stocks	35,120,466	983,406	31,409	36,135,281
Domestic equity group trust	1,235	.....	.....	1,235
Domestic equity commingled funds	.....	2,382,153	.....	2,382,153
International stocks	35,455,575	109,926	3,614	35,569,115
International equity commingled funds	8,073,939	1,212,870	.....	9,286,809
Limited partnerships	8,266,251	.....	.....	8,266,251
Limited partnerships - international	775,358	.....	.....	775,358
Option contracts	1,017	.....	2,447	3,464
Swap contracts	1,696	.....	.....	1,696
Real estate investments	7,285,791	.....	451	7,286,242
Mutual funds	.....	.....	1,428,792	1,428,792
Deferred compensation annuities	.....	.....	41,036	41,036
Total investments excluding lending collateral	133,763,816	36,275,477	2,648,319	172,687,612
Lending collateral investments:				
Certificates of deposit	.....	732,370	.....	732,370
Commercial paper	.....	179,595	.....	179,595
Short-term security lending collateral pool	.....	4,581	.....	4,581
Repurchase agreements	3,936,077	775,621	.....	4,711,698
Federal agencies	.....	54,990	.....	54,990
Domestic bonds & notes	414,588	235,823	.....	650,411
International bonds & notes	102,773	95,787	.....	198,560
Total lending collateral investments	4,453,438	2,078,767	.....	6,532,205
Total investments for all types - fair value	\$ 138,217,254	\$ 38,354,244	\$ 2,648,319	\$ 179,219,817
Total investments for all types - carrying value	\$ 138,217,253	\$ 38,332,562	\$ 2,647,569	\$ 179,197,384
% of total other investments	77%	21%	2%	

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Reconciliation of carrying value to the basic financial statements (in thousands):

	Governmental activities	Business-type activities	Fiduciary funds	Component Units <sup>1</sup>	Total
Other investments	\$ 1,394,441	\$ 11,111,974	\$ .....	\$ 567,805	\$ 13,074,220
Restricted investments	.....	1,720,469	.....	.....	1,720,469
Long-term investments	252,081	9,749,736	149,816,575	.....	159,818,392
Security lending collateral	.....	.....	4,482,335	.....	4,482,335
<sup>2</sup> Timing Difference	(71)	(31)	(5)	102,075	101,968
 Total other investments	 \$ 1,646,451	 \$ 22,582,148	 \$ 154,298,905	 \$ 669,880	 \$ 179,197,384

<sup>1</sup>The column for Component Units presents investments managed by SBA for Component Units. For presentation of all other investments for Component Units, see the Schedule of Other Investments For Discretely Presented Component Units.

<sup>2</sup>Differences between participant balances posted and actual investments. Some Component Units have fiscal year ends other than June 30, 2011.

Certain investments included in the above schedule were pledged as collateral with the SBA's futures clearing broker. These investments are presented below (in thousands):

FRS Pension Trust Fund  
Securities Pledged as Collateral for Futures Contracts  
As of June 30, 2011

Investment Type	Fair Value
U.S. guaranteed obligations	\$ 1,994
Federal agencies	36,711
Domestic stocks	203,450
Total	<u><u>\$ 242,155</u></u>

The FRS Pension Trust Fund also held short positions in investments at June 30, 2011. Short investment positions are reported as liabilities on the Statement of Fiduciary Net Assets. The schedule below presents the short investment positions at fair value at June 30, 2011 (in thousands):

FRS Pension Trust Fund  
Short Investment Positions  
As of June 30, 2011

Investment Type	Fair Value
Federal agencies	\$ (562,711)
Domestic stocks	(587,496)
International stocks	(226,927)
Option contracts	(16)
Total	<u><u>\$ (1,377,150)</u></u>

The SBA issued a separate report (financial statements and notes) pertaining to the Local Government Surplus Funds Trust Fund (an external investment pool) within the state's Investment Trust Fund for the period ended June 30, 2011. This report may be obtained from the Chief Operating & Financial Officer, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 101, Tallahassee, Florida 32308, (850) 488-4406.

***Component Units***

The schedule below discloses other investments reported at fair value and total carrying value, as of June 30, 2011, for discretely presented component units and a reconciliation to the basic financial statements (in thousands). Those investments held with the State Treasury as of June 30, 2011, are excluded.

**Schedule of Other Investments  
For Discretely Presented Component Units  
As of June 30, 2011**

Investment type	Fair value
Certificates of deposit	\$ 104,290
Commercial paper	49,544
Repurchase agreements	83,503
Money market funds	501,867
U.S. guaranteed obligations	2,687,605
Federal agencies	4,332,644
Domestic bonds & notes	6,780,055
International bonds & notes	23,690
Domestic stocks	1,064,928
International stocks	311,209
Real estate investments	93,746
Mutual funds	1,933,327
Investment agreements	2,613,144
Total other investments for all types - fair value	<u>\$ 20,579,552</u>
Total other investments for all types - carrying value	<u>\$ 20,508,781</u>
Reconciliation of carrying value to the basic financial statements:	
Other investments	\$ 19,007,981
Restricted investments	2,068,687
Less SBA Investments*	(567,805)
Total other investments for component units	<u>\$ 20,508,863</u>

At June 30, 2011, 70.08% of total other investments for discretely presented component units belonged to the following major component units: Florida Housing Finance Corporation, University of Florida, and Citizens Property Insurance Corporation.

## 1. Credit Risk and Concentration of Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of the state's investment in a single issuer.

### **Pooled Investments with the State Treasury**

The State Treasury follows the investment guidelines set forth in Section 17.57, F.S., for reducing exposure to investment credit risk. The State Treasury's rated debt investments as of June 30, 2011, were rated by the Nationally Recognized Statistical Rating Organizations (NRSRO) Standard and Poor's (S&P) and Moody's, and the ratings are presented below using the applicable rating scale (in thousands):

**State Treasury**  
**Credit Quality Ratings**  
**As of June 30, 2011**

S&P rating**	Moody's rating**	Total*	Certificates of deposit	Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes
AAA		\$ 766,879	\$ .....	\$ .....	\$ 129,323	\$ 626,147	\$ 11,409
AA		618,716	68,108	.....	.....	377,452	173,156
A		1,624,858	115,218	.....	140	1,356,221	153,279
A-1		837,686	.....	837,686	.....	.....	.....
BBB		495,688	.....	.....	.....	394,030	101,658
BB		7,650	.....	.....	.....	6,679	971
B		1,277	.....	.....	.....	1,277	.....
Below B		1,492	.....	.....	.....	1,492	.....
	AAA	87,199	.....	.....	322	86,877	.....
	AA	2,369	.....	.....	.....	1,561	808
	A	3,373	.....	.....	.....	3,373	.....
	B	645	.....	.....	.....	645	.....
	Below B	9,820	.....	.....	.....	9,416	404
Not rated		8,423,585	.....	.....	8,371,345	22,240	30,000
		<u>12,881,237</u>	<u>\$ 183,326</u>	<u>\$ 837,686</u>	<u>\$ 8,501,130</u>	<u>\$ 2,887,410</u>	<u>\$ 471,685</u>
Not rated		5,220,838	U.S. guaranteed obligations				
Not rated		<u>1,846,020</u>	Repurchase agreements				
		<u><u>\$ 19,948,095</u></u>					

\* The remaining (\$578,901) (in thousands) reported for Pooled Investments with the State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool, unsettled securities liability, cash on hand and deposit, and outstanding warrants as presented in the Schedule of Pooled Investments with the State Treasury.

\*\* Long-term ratings are presented except for "A-1," which is a short-term rating for S&P.

The State Treasury's investment policies allow for unlimited investments in U.S. obligations and certain Federal Agency obligations. For other investments, the investment policies address concentration of credit risk by placing limits on amounts invested per issuer (taking into account the maturity date and duration of the investment). In addition, the policies also address limits on certain investments by credit ratings. Limits on amounts invested are expressed in dollar amounts per issuer and also in total amounts per investment type as a percentage of the investment pool's market value. As of June 30, 2011, more than five percent of the State Treasury's investment pool is invested in Federal National Mortgage Association (FNMA), Federal Home Loan Bank System (FHLB), Federal Farm Credit Banks (FFCB), the Federal Home Loan Mortgage Corporation (FHLMC), and the Federal Agricultural Mortgage Corporation (FARMERMAC). These investments are approximately 12 percent, 10 percent, 10 percent, 6 percent, and 5 percent of the State Treasury's investments pool, respectively.

***Other Investments***

The SBA, in compliance with Section 215.47, F.S., has adopted certain investment policies with regard to credit risk of debt securities. Investment policies vary by fund or portfolio. Below are the investment policies and credit risk disclosures for the FRS Pension Trust Fund, which constitute the primary portion of other investments.

**FRS Pension Trust Fund** – Investments are generally managed through individual portfolios within various asset classes, as listed below. Some of the individual portfolios have slightly different restrictions on credit quality.

***Short-term portfolio*** – Securities must be investment grade at the time of purchase. For short-term investment ratings, this is defined as the highest applicable rating from one of the three NRSROs – S&P A-1, Moody’s P-1, Fitch F1. For long-term investment ratings, this is defined as a minimum mid-single A rating from one of the three NRSROs – S&P A, Moody’s A2, Fitch A. Securities of a single issuer (excluding U.S. Treasuries and Agencies) should not represent more than 5% of portfolio amortized cost.

***Mortgage Index Portfolio*** – Securities are generally limited to those issued by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC). No specific credit rating criteria are listed.

***Aggregate Less MBS Portfolio*** – Securities should be rated investment grade by at least one of the three NRSROs at the time of purchase. Minimum ratings include S&P BBB-, Moody’s Baa3, and Fitch BBB-. This portfolio primarily contains U.S. Treasuries, Government Agencies, and Corporates.

***Core portfolios*** – Securities should be rated investment grade by one of the three NRSROs at the time of purchase. Minimum ratings include S&P BBB-, Moody’s Baa3, and Fitch BBB-. Securities of a single issuer are generally limited to 5% of the market value of the portfolio (excluding U.S. Treasuries and Agencies). The State may own notes secured by first mortgages on Florida real property, insured or guaranteed by the Federal Housing Administration or the U.S. Department of Veterans Affairs, but exposure is limited to 10% of portfolio market value.

***Core Plus portfolios*** – The strategic portion of the portfolio is invested in investment grade securities with a tactical weighting to the ‘plus’ sectors such as high yield, emerging markets, foreign governments, and preferred stock. Non-dollar obligations issued by foreign governments, foreign agencies, or supranationals were required to be rated investment grade by at least one NRSRO. The policies dictated no limitations on concentration of credit risk on investments for a single issuer. The Core Plus portfolios were terminated during the fiscal year ending June 30, 2011.

***High Yield portfolios*** – All securities should be rated at least single B or double B by one of the NRSROs at the time of purchase. If a security is no longer rated at least the equivalent of single B- by any of the NRSROs, the portfolio manager must provide written notification and justify retaining such investment beyond 90 days. Also, no more than 5% of market value shall be invested in investment grade securities (BBB- or higher by two of the three NRSROs). Securities of a single issuer should not exceed 5% of portfolio market value. No more than 35% of market value may be in any one industry.

***Lending portfolios*** – Non-pension fund investment policy guidelines have short-term rating requirements that are similar to the short-term portfolio rating requirements. Repos should be fully collateralized. The new lending investment policy guidelines for the FRS Pension Trust Fund allow only investments in tri-party qualified repurchase transactions in which the subject securities thereunder will be repurchased by the seller thereof no later than one business day from the purchase date, and such repurchase obligations are collateralized by U.S. Government securities having a market value of at least 100% of the market value of securities subject to being repurchased. “U.S. Government Securities” means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States, or any certificate of deposit for any of the foregoing, including without limitation notes, bonds and other debt securities issued by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC). In addition to tri-party repurchase agreements, investments purchased prior to the effective date of the new investment policy guidelines contained short-term rating requirements that were similar to the current short-term portfolio rating requirements. Repos were required to be fully collateralized. The FRS Pension Trust Fund was allowed to hold up to the greater of \$5 million or 5% of its assets in securities by a single issuer and its affiliates (excluding U.S. Government guaranteed investments, its agencies or instrumentalities). For all lending programs, up to an additional 5% of the book value of the portfolio was allowed to be invested in the obligations of any single issuer, guarantor, or repo counterparty that matured on the next business day, that were redeemable upon demand, or that contained an unconditional put feature.

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The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5% or more of the fund's fair market value at June 30, 2011. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2011 (in thousands).

**FRS Pension Trust Fund  
Credit Quality Ratings  
As of June 30, 2011**

Credit Rating <sup>1</sup>		Total <sup>2</sup>	Certificates of deposit	Commercial paper	Money market & short-term bond funds				Domestic bonds & notes	International bonds & notes
S&P	Moody				\$	\$	\$	\$		
AAA/AAAm		\$ 3,744,475	\$ .....	\$ .....	\$ 6,444	\$ 1,594,750	\$ 1,613,001	\$ 530,280		
AA		1,052,280	.....	.....	.....	8,277	706,859	337,144		
A		4,202,984	.....	.....	.....	49,671	3,391,117	762,196		
BBB		3,116,151	.....	.....	.....	.....	2,423,887	692,264		
BB		231,339	.....	.....	.....	.....	227,005	4,334		
B		112,059	.....	.....	.....	.....	105,012	7,047		
CCC		70,272	.....	.....	.....	.....	70,272	.....		
CC		845	.....	.....	.....	.....	845	.....		
D		1,213	.....	.....	.....	.....	1,213	.....		
	Aaa	310,008	.....	.....	.....	1,729	266,134	42,145		
	Aa	208,769	49,997	.....	.....	.....	6,586	152,186		
	A	68,985	.....	.....	.....	.....	38,987	29,998		
	Baa	56,121	.....	.....	.....	.....	22,566	33,555		
A-1		6,948,138	.....	6,948,138	.....	.....	.....	.....	.....	
Not rated	Not rated	10,213,358	365,032	.....	.....	8,479,383	655,154	713,789		
		30,336,997	\$ 415,029	\$ 6,948,138	\$ 6,444	\$ 10,133,810	\$ 9,528,638	\$ 3,304,938		
Not rated	Not rated	4,936,077	Repurchase agreements							
Not rated	Not rated	7,962,851	U.S. guaranteed obligations							
Not rated	Not rated	35,120,466	Domestic stocks							
Not rated	Not rated	1,235	Domestic equity group trust							
Not rated	Not rated	35,455,575	International stocks							
Not rated	Not rated	8,073,939	International equity commingled funds							
Not rated	Not rated	8,266,251	Limited partnerships							
Not rated	Not rated	775,358	Limited partnerships-international							
Not rated <sup>3</sup>	Not rated <sup>3</sup>	1,017	Option contracts purchased							
Not rated <sup>3</sup>	Not rated <sup>3</sup>	1,696	Swap contracts							
Not rated	Not rated	7,285,791	Real estate investments							
		\$ 138,217,253	Total investments							

<sup>1</sup>S&P ratings were primarily used. If S&P did not rate a security, then Moody ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated". Long-term ratings are presented except for "AAAm", "A-1". The "AAAm" rating is the top S&P rating for money market funds. The "A-1" rating is a short-term rating for S&P.

<sup>2</sup>All FRS investments are included in this schedule, including security lending collateral investments.

<sup>3</sup> Although option contracts and swap contracts do not have specific credit quality ratings, counterparty credit ratings are available and are disclosed in separate schedules below.

Counterparty credit ratings for option positions (purchased and sold) at June 30, 2011, in the FRS Pension Trust Fund are listed below (in thousands).

**FRS Pension Trust Fund  
Option Counterparty Credit Ratings  
As of June 30, 2011**

Counterparty Credit Rating <sup>1</sup>			
S&P	Moody	Fitch	Fair Value
Exchange traded	Exchange traded	Exchange traded	\$ 1,017
		Total options purchased	\$ 1,017
Exchange traded	Exchange traded	Exchange traded	\$ (16)
		Total options sold <sup>2</sup>	\$ (16)

<sup>1</sup>If an option was "exchange traded", the counterparty credit risk is minimal because a third party exchange settles up with each counterparty individually instead of the two counterparties dealing directly with each other.

<sup>2</sup> Options sold are reported as liabilities in the Statement of Fiduciary Net Assets.

Counterparty credit ratings for swaps held in the FRS Pension Trust Fund at June 30, 2011, are listed below (in thousands)

**FRS Pension Trust Fund  
Swap Counterparty Credit Ratings  
As of June 30, 2011**

Counterparty Credit Rating (Long/Short) <sup>1</sup>			
S&P	Moody	Fitch	Fair Value
AA/A-1	Aa/P-1	NR/F1	\$ 183
A/A-1	A/P-1	NR/F1	356
NR/NR	NR/P-1	NR/NR	1,157
		Total swaps	\$ 1,696

<sup>1</sup> If no rating exists, "NR" is reported.

Counterparty credit ratings for forward currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2011, are listed below (in thousands).

**FRS Pension Trust Fund**  
**Forward Foreign Currency Exchange Contract Counterparty Credit Ratings**  
**As of June 30, 2011**

Counterparty Credit Rating (Long/Short) <sup>1</sup>			Receivable	Payable	Net Unrealized
S&P	Moody	Fitch	Fair Value	Fair Value	Gain/(Loss)
AA/A-1	Aaa/P-1	NR/F1	\$ 74,706	\$ (74,760)	\$ (54)
AA/A-1	Aa/P-1	NR/F1	586	(583)	3
AA/A-1	Aa/P-1	NR/NR	3,697	(3,688)	9
AA/A-1	A/P-1	NR/F1	1,553	(1,555)	(2)
AA/A-1	NR/P-1	NR/F1	2,008	(1,995)	13
A/A-1	Aa/P-1	NR/F1	8,915	(8,913)	2
A/A-1	A/P-1	NR/F1	6,694	(6,699)	(5)
A/A-1	NR/P-1	NR/NR	23,642	(23,641)	1
NR/NR	NR/P-1	NR/NR	20,694	(21,018)	(324)
NR/NR	NR/NR	NR/F1	21,569	(21,575)	(6)
NR/NR	NR/NR	NR/NR	26,528	(26,452)	76
			\$ 190,592	\$ (190,879)	\$ (287)

<sup>1</sup> If no rating exists, "NR" is reported.

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The schedule below discloses credit quality ratings on investments held in all funds managed by the SBA (except the FRS Pension Trust Fund) at June 30, 2011 (in thousands).

**All SBA Managed Funds (except FRS Pension Trust Fund)**  
**Credit Quality Ratings**  
**As of June 30, 2011**

Credit Rating <sup>1</sup>		Total <sup>2</sup>	Certificates of deposit	Commercial paper	Money market funds	Federal agencies	Domestic bonds & notes		International bonds & notes
S&P	Moody						commingled funds	Domestic bonds & notes	
AAA/AAAm		\$ 4,606,977	\$ .....	\$ .....	\$ 1,771,069	\$ 2,492,718	\$ 303,382	\$ .....	\$ 39,808
AA		481,640	30,349	.....	.....	.....	255,432	.....	195,859
A		742,408	4,004	.....	.....	1	651,453	.....	86,950
BBB		324,140	.....	.....	.....	.....	281,340	.....	42,800
BB		3,998	.....	.....	.....	.....	3,998	.....	.....
B		4,742	.....	.....	.....	.....	4,742	.....	.....
CCC		23,250	.....	.....	.....	.....	23,250	.....	.....
	Aaa	84,227	.....	.....	.....	34,203	50,024	.....	.....
	Aa	18,207	2,885	.....	.....	.....	4,321	.....	11,001
	A	4,977	.....	.....	.....	.....	4,977	.....	.....
	Baa	2,609	.....	.....	.....	.....	.....	.....	2,609
	A-1	5,394,477	.....	5,380,977	.....	.....	13,500	.....	.....
Not rated	Not rated	10,406,481	4,630,107	24,998	1,041,679	2,170,932	205,385	2,220,033	113,347
		<u>22,098,133</u>	<u>\$ 4,667,345</u>	<u>\$ 5,405,975</u>	<u>\$ 2,812,748</u>	<u>\$ 4,697,854</u>	<u>\$ 1,801,804</u>	<u>\$ 2,220,033</u>	<u>\$ 492,374</u>
Not rated	Not rated	3,945,621	Repurchase agreements						
Not rated	Not rated	4,581	Security lending collateral pool						
Not rated	Not rated	7,617,554	U.S. guaranteed obligations						
Not rated	Not rated	983,406	Domestic stocks						
Not rated	Not rated	2,382,153	Domestic equity commingled funds						
Not rated	Not rated	109,926	International stocks						
Not rated	Not rated	<u>1,212,870</u>	International equity commingled funds						
		<u><u>\$ 38,354,244</u></u>	Total investments						

<sup>1</sup>S&P ratings were primarily used. If S&P did not rate a security, then Moody ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated." Long-term ratings are presented except for "AAAm", "A-1". The "AAAm" rating is the top S&P rating for money market funds. The "A-1" rating is a short-term rating for S&P.

<sup>2</sup>All investments are included in this schedule, including security lending collateral investments.

The LGIP held investments with Bank of America (18.6%), BNP Paribas (5.2%), Credit Agricole Corp. (5.1%), Morgan Stanley (5.9%), and Societe Generale (5.2%) in excess of 5% of the LGIP's fair value.

The Florida Hurricane Catastrophe Fund held investments with Bank of America (9.3%), subsidiaries of Santander UK PLC (5.0%), Goldman Sachs Group Inc. (6.7%), Federal Farm Credit Bank (6.4%), Federal Home Loan Bank System (9.8%), and Federal Home Loan Mortgage Corporation (6.5%) in excess of 5% of the Florida Hurricane Catastrophe Fund's fair value.

### **Component Units**

Investment policies with regard to credit risk of debt securities vary from component unit to component unit. In addition, investment policies vary among Universities' direct support organizations. Investment policies may be obtained separately from component units. Presented below are reported credit quality ratings for debt securities of major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

#### **Major Component Units**

#### **Credit Quality Ratings**

**As of June 30, 2011**

Component Unit	Commercial Paper	Federal agencies	Bonds & notes	Mutual funds	Money market funds	Total	S&P rating
Florida Housing Finance Corporation *	\$ 849	\$ .....\$ .....\$ .....\$ .....\$ .....\$ .....\$ 849	\$ .....\$ 178,643\$ .....\$ .....\$ .....\$ 178,643	\$ .....\$ .....\$ .....\$ .....\$ .....\$ 178,643	A-1+		
FHFC (continued)	.....	.....	178,643	.....	.....	178,643	AAA-BB-
FHFC (continued)	.....	15,230	23,689	.....	.....	38,919	AAA
FHFC (continued)	.....	41,047	34,797	.....	.....	75,844	Not rated
FHFC (continued)	.....	.....	1,276	.....	.....	1,276	AAA-A-1
FHFC (continued)	.....	.....	8,252	.....	.....	8,252	AAA-CC
University of Florida (UF)	.....	.....	7,729	569	20,906	29,204	AAA
UF (continued)	.....	39	4,977	52,680	1,054	58,750	AA
UF (continued)	.....	444	3,458	29,417	264	33,583	A
UF (continued)	.....	10	105	53,724	24,544	78,383	Not rated
	<b>\$ 849</b>	<b>\$ 56,770</b>	<b>\$ 262,926</b>	<b>\$ 136,390</b>	<b>\$ 46,768</b>	<b>\$ 503,703</b>	

Component Unit	Certificates of deposit	Federal agencies	Bonds & notes	Mutual funds	Other	Total	Moody's
Citizens Property Insurance Corporation (CPIC)	\$ 51,874	\$ .....\$ .....\$ .....\$ .....\$ .....\$ .....\$ 51,874	\$ .....\$ .....\$ .....\$ .....\$ .....\$ .....\$ 51,874	P-1			
CPIC (continued)	.....	.....	.....	.....	-	-	Aaa
CPIC (continued)	.....	3,642,314	5,627,155	.....	.....	9,269,469	Aaa/P-1
CPIC (continued)	.....	.....	.....	.....	200,424	200,424	Not rated
	<b>\$ 51,874</b>	<b>\$ 3,642,314</b>	<b>\$ 5,627,155</b>	<b>\$ .....\$ .....\$ .....\$ .....\$ 200,424</b>	<b>\$ 200,424</b>	<b>\$ 9,521,767</b>	

\* Florida Housing Finance Corporation (FHFC) reported total investments with a fair value in the amount of \$840.41 million subject to concentration of credit risk. These investments and amounts were issued by Trinity Funding (\$285 million) and FannieMae (\$555 million).

### **2. Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the state will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

### **Pooled Investments with the State Treasury**

The State Treasury does not have an overall policy addressing custodial credit risk. However, as required by negotiated trust and custody contracts, many of the state's investments were held in the state's name by the Treasury's custodial financial institutions at June 30, 2011. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

State Treasury	
Custodial Credit Risk	
As of June 30, 2011	
	Fair value
Invested security lending collateral:	
Certificates of deposit	\$ 183,326
Repurchase agreements	1,474,622
Federal agencies	112,008
Domestic bonds & notes	300,158
International bonds & notes	89,907
Total	<b>\$ 2,160,021</b>

### ***Other Investments***

The SBA's custodial credit policy states that custodial credit risk will be minimized through the use of trust accounts maintained by top tier third party custodian banks. To the extent possible, negotiated trust and custody contracts shall require that all deposits, investments, and collateral be held in accounts in the SBA's name, separate and apart from the assets of the custodian banks. This policy applies to investments evidenced by cash or securities, and does not apply to investments evidenced by contractual agreements such as private equity or real estate investments. As required by negotiated trust and custody contracts, many of the state's investments were held in the state's name by the SBA's custodial financial institutions at June 30, 2011. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

<b>Other Investments Custodial Credit Risk As of June 30, 2011</b>	<b>FRS Pension Trust Fund</b>	<b>Other funds</b>
Invested security lending collateral:		
Certificates of deposit	\$ .....	\$ 732,371
Commercial paper	.....	179,595
Repurchase agreements	2,059,570	775,621
Federal agencies	.....	54,990
Domestic bonds & notes	365,216	235,823
International bonds & notes	58,899	95,787
Total	\$ 2,483,685	\$ 2,074,187

### ***Component Units***

Component units manage their exposure to custodial credit risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable custodial credit risk information for a major component unit (in thousands):

<b>Major Component Unit Custodial Credit Risk As of June 30, 2011</b>	<b>Fair value</b>
Component unit / Investment type	
University of Florida	
Bonds & notes	\$ 16,026
Mutual funds	2,382
Total	\$ 18,408

### **3. Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt investments.

#### ***Pooled Investments with the State Treasury***

Through its investment policy, the State Treasury manages its exposure to interest rate risk by limiting either the maturities or durations of the various investment strategies used for the investment pool. The maximum effective weighted duration allowed, per externally managed portfolio with various investments, is six years. In addition, the security lending portfolios manage exposure to interest rate risk by limiting the weighted average maturity. The maximum weighted average maturity for security lending portfolios is 120 days.

Presented below is the interest rate risk table for the debt investments with the State Treasury (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to security lending collateral portfolios are presented using weighted average maturity.

**Debt Investments  
As of June 30, 2011**

Investment type	Fair value	Effective weighted duration (in years)	Security Lending Fair Value	Weighted average maturity (in days)
Certificates of Deposit	-	N/A	183,326	46
Commercial paper	837,686	0.02		
Repurchase Agreements	371,398	N/A	1,474,622	1
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	3,129,217	4.19		
U.S. Treasury strips	21,178	11.39		
U.S. Treasury bills	1,604,340	0.41		
GNMA mortgage-backed pass-through	153,667	2.72		
GNMA TBA pass-thru	121,730	2.30		
GNMA collateralized mortgage obligations (CMO's)	14,562	2.56		
GNMA CMO's - interest only	4,174	(28.14)		
GNMA CMOs - principal only	-	N/A		
U.S. Government Guaranteed	153,603	1.33		
SBA Asset Backed	18,367	2.15		
Federal agencies:				
Agency bonds & notes	17,637	1.03	112,008	14
Discount notes	3,519,800	0.25		
Unsecured bonds & notes	3,022,607	1.13		
Mortgage-backed pass-through	1,159,371	3.47		
TBA Mortgage-backed pass-thru	525,702	3.07		
Mortgage-backed CMO's	134,731	2.40		
Mortgage-backed CMO's - principal only	755	0.15		
Mortgage-backed CMO's - interest only	8,519	7.31		
Domestic bonds & notes:				
Corporate	1,756,069	4.79	300,158	44
Corporate asset-backed	177,549	0.92		
Non-government backed CMO's & CMBS*	585,373	2.58		
Non-government backed CMO's & CMBS* - interest only	20,133	2.53		
Municipal/provincial	48,128	7.94		
International bonds & notes:				
Government & Agency	48,527	2.52		
Corporate	332,888	5.36	89,907	75
Non-government backed CMO's & CMBS*	363	0.02		
Total portfolio effective duration and weighted average maturity		2.16		15
Total debt investments	<u>17,788,074</u>		<u>2,160,021</u>	

\* Commercial Mortgage-Backed Securities (CMBS)

\*\*To-Be-Announced (TBA)

\*\*\* The remaining (\$578,901) (in thousands) reported for Pooled Investments with the State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool, unsettled securities liability, cash on hand and deposit, and outstanding warrants as presented in the Schedule of Pooled Investments with the State Treasury.

Presented below is effective weighted duration for derivative investments in the State Treasury at June 30, 2011.

**Derivative Investments**  
**As of June 30, 2011**

<u>Investment type</u>	Fair value	Effective weighted duration (in years)
Futures	\$ .....	11.14
Total derivative investments	\$ -	

## *Other Investments*

The SBA manages its exposure to interest rate risk through various investment policies. Policies and interest rate risk disclosures for debt investments within the FRS Pension Trust Fund are presented below.

Investments authorized by Section 215.47, F.S., are managed through individual portfolios within various asset classes. The individual portfolios may have different policies regarding interest rate risk. Major types of debt portfolios are listed below.

*Short-term portfolio* – Weighted average maturity to final maturity date (WAL) is limited to 120 days in the internally managed FRS Short-term Investment Pool (STIPFRS) portfolio and weighted average time to coupon reset (WAM) is limited to 60 days. For securities without a fixed interest rate, the next coupon reset date is used as the maturity for the reset WAM calculation. In the STIPFRS, no individual security shall have a final maturity date longer than one year except for U.S. Treasury and Agency securities, which shall not exceed five years.

**Mortgage Index portfolio** – Portfolio duration should be similar to the duration of the mortgage-related fixed income market and should remain within plus or minus .25 years of index duration. The index is the Barclays Capital U.S. MBS Index component of the Barclays Capital U.S. Aggregate Bond Index.

*Aggregate Less MBS Index portfolio* – Portfolio duration should remain within plus or minus 0.25 years of the Barclays Capital U.S. Aggregate Bond Index less the MBS index component.

*Core portfolios* – Portfolio duration should remain within plus or minus 0.50 – 1.50 years of the Barclays Capital U.S. Aggregate Bond Index duration.

*Core Plus portfolios* – Portfolio duration should remain within plus or minus 1.0 year of the Barclays Capital U.S. Aggregate Bond Index duration. The Core Plus portfolios were terminated during the fiscal year ended June 30, 2011.

*High Yield portfolios* – Portfolio duration should remain within 2.5 years of the Barclays Capital Ba/B 2% Issuer Cap index duration.

*Security Lending portfolios* – The new investment policy guidelines in effect for the FRS Pension Trust Fund for the fiscal year ended June 30, 2011, allow investment only in overnight repurchase agreements that are fully collateralized by U.S. government and/or agency securities. Investments that were purchased prior to the latest investment policy guidelines are still held in the lending programs, but are slowly paying down. Previous guidelines included a maximum WAM for a portfolio of 60 to 90 days, depending on the lending program. For investments that had floating interest rates, interest rate reset dates were used to calculate the WAM. For non-pension lending programs, investment policy guidelines require a maximum WAM for a portfolio of 90 days (for separately managed investments), or that cash collateral be invested in one or more collective investment vehicles maintained and utilized by the lending agent for the investment of securities lending cash collateral.

Presented in the following schedule is the interest rate risk table for the FRS Pension Trust Fund (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to short-term and the security lending collateral portfolios are presented using weighted average maturity.

**FRS Pension Trust Fund  
Debt Investments  
As of June 30, 2011**

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ .....	NA	\$ 415,029	77
Commercial paper	.....	NA	6,948,138	24
Money market funds	.....	NA	6,444	1
Repurchase agreements	.....	NA	4,936,077	1
U.S. guaranteed obligations:				
U.S. Treasury bonds & notes	5,766,575	5.29	.....	NA
Index linked government bonds	251,773	5.53	.....	NA
U.S. government guaranteed	182,483	2.95	.....	NA
GNMA mortgage-backed	723,973	3.03	.....	NA
GNMA commitments to purchase (TBAs)	1,022,916	2.72	.....	NA
GNMA collateralized mortgage obligations (CMO's)	13,929	7.44	.....	NA
GNMA interest-only inverse floating CMO's	1,202	11.70	.....	NA
Federal agencies:				
Discount notes	510,825	0.20	.....	NA
Unsecured bonds & notes	1,659,952	3.51	.....	NA
Agency strips	2,659	5.83	.....	NA
Mortgage-backed (FNMA, FHLMC)	4,439,993	3.66	.....	NA
FNMA, FHLMC commitments to purchase (TBAs)	3,475,248	3.34	.....	NA
Mortgage-backed CMO's	17,556	2.51	.....	NA
Interest-only CMO's	7,286	-7.86	.....	NA
Interest-only inverse floating CMO's	16,275	13.49	.....	NA
Inverse floating CMO's	3,322	7.72	.....	NA
Principal-only CMO's	694	3.80	.....	NA
Domestic bonds & notes:				
Corporate	6,206,252	5.61	.....	NA
Non-government asset-backed & mortgage-backed	939,614	3.52	182,921	28
Non-government backed CMO's & CMBS	1,815,001	2.94	192,595	18
Municipal/provincial	174,516	10.89	.....	NA
Real estate mortgage loans	17,739	6.16	.....	NA
International bonds & notes:				
Government & regional	602,684	5.20	.....	NA
Government agency	301,320	4.18	.....	NA
Corporate	2,272,669	3.46	.....	NA
Non-government backed CMO's & CMBS	25,492	2.00	102,773	42
Futures contracts - long*	.....	4.79	.....	NA
Futures contracts - short*	.....	2.73	.....	NA
Option contracts purchased	1,017	-294.70	.....	NA
Swap contracts <sup>1</sup>	1,696	0.80	.....	NA
Total debt investments	\$ 30,454,661		\$ 12,783,977	

\*The futures and swap contracts effective weighted duration was calculated using notional values rather than fair values.

Interest rate risk information for debt investments sold short is presented below (in thousands).

FRS Pension Trust Fund  
Sold Short Debt Investment Positions  
As of June 30, 2011

<u>Investment type</u>	Fair value (Duration)	Effective weighted duration (in years)
FNMA, FHLMC commitments to sell (TBAs)	\$ (562,711)	4.65
Options sold	(16)	-128.08
Total short positions in debt investments <sup>1</sup>	<u><u>\$ (562,727)</u></u>	

<sup>1</sup> Investments sold short are reported as liabilities on the Statement of Fiduciary Net Assets.

<sup>2</sup>The futures contracts effective weighted duration was calculated using notional values rather than fair values.

Presented below are interest rate risk schedules for all debt-related investments managed by the SBA (excluding the FRS Pension Trust Fund), as of June 30, 2011 (in thousands). Certain investment types may be presented using two or more interest rate risk methods, if the investment types are managed using different techniques. For example, if investments are purchased to match scheduled debt payments, to coincide with Lottery prize payouts, or are entirely client directed investments, the investments are presented using the segmented time distribution method. If investments are in a portfolio that contains weighted average maturity restrictions, the investments are presented using this method. If investments are subject to certain restrictions on duration, then that method is used. Individual investments are only included in one of the following three methods scheduled below.

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)  
That Use Segmented Time Distribution Method  
As of June 30, 2011**

Investment type	Total fair value	Investment maturities (in years)							
		Less than or equal to 1	> 1 to 3	> 3 to 5	> 5 to 10	>10 to 15	> 15 to 20	> 20	
U.S. guaranteed obligations:									
U.S. Treasury bills	\$ 409,506	\$ 409,506	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
U.S. Treasury bonds, notes, & SLGS*	238,116	142,057	50,394	44,780	885	.....	.....	.....	.....
U.S. Treasury strips	817,725	193,078	275,844	143,501	98,299	58,102	41,074	7,827	
Federal agencies:									
Unsecured bonds & notes	85,716	21,601	42,653	21,462	.....	.....	.....	.....	.....
Agency strips	40,705	14,896	25,809	.....	.....	.....	.....	.....	.....
Inverse floating rate CMO's	223	.....	.....	.....	223	.....	.....	.....	.....
Total debt investments	<u><u>\$ 1,591,991</u></u>	<u><u>\$ 781,138</u></u>	<u><u>\$ 394,700</u></u>	<u><u>\$ 209,743</u></u>	<u><u>\$ 99,184</u></u>	<u><u>\$ 58,325</u></u>	<u><u>\$ 41,074</u></u>	<u><u>\$ 7,827</u></u>	

\* Special U.S. Treasury securities for State and Local Governments.

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)  
That Use Weighted Average Maturity Method or Duration Method  
As of June 30, 2011**

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ 4,990	0.80	\$ 4,662,355	49
Commercial paper	.....	NA	5,405,975	39
Money market funds	1,041,048	0.05	1,771,700	1
Security lending collateral pools	.....	NA	4,581	104
Repurchase agreements	.....	NA	3,945,621	1
U.S. guaranteed obligations:				
U.S. Treasury bills	141,035	0.18	.....	NA
U.S. Treasury bonds & notes	173,665	8.97	585,551	42
U.S. Treasury strips	4,995,310	10.12	.....	NA
Index linked government bonds	111,655	4.62	.....	NA
U.S. government guaranteed	36,718	8.15	.....	NA
GNMA mortgage-backed	71,055	4.01	.....	NA
GNMA commitments to purchase (TBAs)	36,249	3.84	.....	NA
GNMA collateralized mortgage obligations (CMOs)	969	1.65	.....	NA
Federal agencies:				
Discount notes	44,155	0.03	880,342	57
Unsecured bonds & notes	113,811	8.10	2,314,029	173
Agency strips	426,540	9.76	.....	NA
Mortgage-backed (FNMA, FHLMC)	493,807	3.57	.....	NA
FNMA, FHLMC commitments to purchase (TBAs)	232,404	4.34	.....	NA
Mortgage-backed CMO's	66,122	-0.16	.....	NA
Domestic bonds & notes:				
Corporate	692,330	6.16	348,199	241
Non-government asset-backed & mortgage-backed	323,112	7.56	126,733	22
Non-government backed CMO's & CMBS	284,168	3.19	8,256	15
Municipal/provincial	6,306	14.56	12,700	7
Domestic bonds & notes commingled funds	2,220,033	4.85	.....	NA
International bonds & notes:				
Government & regional	687	4.74	.....	NA
Corporate	170,805	4.99	286,429	33
Non-government asset-backed & mortgage-backed	.....	NA	11,953	16
Non-government backed CMO's & CMBS	.....	NA	22,500	21
Total debt investments	<u>\$ 11,686,974</u>		<u>\$ 20,386,924</u>	

**Component Units**

Component units manage their exposure to interest rate risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable interest rate risk information for major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

Component unit / Investment type	Major Component Units				
	Debt Investments				
	That Use Segmented Time Distribution Method				
	As of June 30, 2011				
		Investment maturities (in years)			
	Total fair value	Less than or equal to 1	> 1 to 5	> 6 to 10	> 10
University of Florida					
U.S. guaranteed obligations	\$ 19,126	\$ 4,121	\$ 12,160	\$ 2,799	\$ 46
Bonds & notes	16,269	1,540	10,501	1,395	2,833
Mutual funds	131,536	10,069	24,945	96,522	.....
Total debt investments	\$ 166,931	\$ 15,730	\$ 47,606	\$ 100,716	\$ 2,879

**Major Component Units**  
**Debt Investments**  
**That Use Duration or Weighted Average Maturity Method**  
**As of June 30, 2011**

Component unit / Investment type	Fair value (duration)	Modified duration (in years)	Fair value (WAM)	Weighted
				Average maturity (in years)
Florida Housing Finance Corporation				
U.S. guaranteed obligations	\$ 42,991	2.82	\$ .....	NA
Federal agencies	54,111	1.06	.....	NA
Bonds & notes	247,507	1.40	.....	NA
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	.....	NA	367,754	0.95
Federal agencies	.....	NA	3,274,560	1.00
Bonds & notes	.....	NA	5,879,454	7.11
Total debt investments	\$ 344,609		\$ 9,521,768	

**4. Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

**Pooled Investments with the State Treasury**

The State Treasury does not have any investments in foreign currency. State law and investment policy do not authorize investments in foreign currency related to State Treasury investment operations.

**Other Investments**

The FRS Pension Trust Fund and the Lawton Chiles Endowment Fund had exposure to foreign currency risk at June 30, 2011. These funds are managed primarily by the use of "asset classes."

The FRS Pension Trust Fund does not currently have an investment policy limiting its investment in foreign equities or other investments denominated in foreign currency. The Lawton Chiles Endowment Fund's foreign equities asset class range limits, as adopted in the fund's investment plan, are 6-18% of total fund assets, with a target of 12%. A limited amount of exposure occurs in certain Fixed Income portfolios. In all cases, Florida law limits the total exposure to foreign securities to 35% of the total fund. There is no requirement that this exposure to foreign currency be hedged through forward currency contracts, although the managers use them in many cases.

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Presented below in U.S. dollars are the FRS Pension Trust Fund and Lawton Chiles Endowment Fund investments exposed to foreign currency risk as of June 30, 2011, listed in total, by currency (in thousands).

**FRS Pension Trust Fund and Lawton Chiles Endowment Fund (LCEF)**  
**Investments Exposed to Foreign Currency Risk**  
**As of June 30, 2011**

Currency	FRS Pension Trust Fund Investment Type				Investment type
	Limited		Short-Sells	Total	
	Equity	Partnerships <sup>1</sup>	Equity <sup>2</sup>		
Australian dollar	\$ 1,677,792	\$ ..... 574,736	\$ (2,933) .....	\$ 1,674,859 574,736	\$ 4,119 1,792
Brazilian real					
British pound sterling	5,473,401	.....	(14,679)	5,458,722	7,118
Canadian dollar	1,987,141	.....	(25,114)	1,962,027	3,505
Danish krone	259,932	.....	(5,807)	254,125	767
Egyptian pound	23,340	.....	.....	23,340	.....
Euro currency unit	7,479,542	330,088	(70,815)	7,738,815	23,649
Hong Kong dollar	2,379,018	.....	.....	2,379,018	6,212
Hungarian forint	26,295	.....	.....	26,295	.....
Indian rupee	450,725	.....	.....	450,725	.....
Indonesian rupiah	163,278	.....	.....	163,278	320
Israeli shekel	120,120	.....	.....	120,120	.....
Japanese yen	4,867,649	.....	(38,481)	4,829,168	17,033
Malaysian ringgit	122,475	.....	.....	122,475	5,050
Mexican new peso	198,944	.....	.....	198,944	1,298
New Zealand dollar	29,229	.....	.....	29,229	53
Nigerian naira	34,968	.....	.....	34,968	.....
Norwegian krone	180,230	.....	(1,046)	179,184	1,856
Philippines peso	47,264	.....	.....	47,264	336
Polish zloty	114,768	.....	.....	114,768	3,070
Qatari riyal	27,891	.....	.....	27,891	.....
Singapore dollar	602,582	.....	(1,773)	600,809	4,284
South African rand	470,851	.....	.....	470,851	655
South Korean won	814,327	.....	.....	814,327	7,677
Swedish krona	690,350	.....	(2,921)	687,429	2,310
Swiss franc	2,277,264	.....	(9,845)	2,267,419	1,716
Taiwan new dollar	625,572	.....	.....	625,572	2,888
Thailand baht	247,253	.....	.....	247,253	2,345
Turkish lira	242,921	.....	.....	242,921	148
Other	137,833	.....	.....	137,833	359
Equity linked notes (various currencies) <sup>3</sup>	8,013	.....	.....	8,013	.....
International equity commingled funds <sup>1</sup>	8,073,939	.....	.....	8,073,939	.....
International private equity limited partnerships <sup>1</sup>	.....	445,270	.....	445,270	.....
Total investments subject to foreign currency risk	\$ 40,429,643	\$ 775,358	\$ (173,414)	\$ 41,031,587	\$ 98,560

<sup>1</sup> International equity commingled funds and international private equity limited partnerships are commingled investments where the FRS Pension Trust Fund owns only a portion of the overall investment. The overall investment is reported in U.S. dollars, but the underlying investments are exposed to foreign currency risk in various currencies. If the private equity limited partnership provided financial statements in Euro currency units, it was reported above as having foreign currency risk in Euro currency units.

<sup>2</sup> Equity securities sold short are reported as liabilities on the Statement of Fiduciary Net Assets. They are included here since they do have exposure to foreign currency risk.

<sup>3</sup> Equity linked notes are participatory notes that allow the holder to participate in certain foreign equity markets where direct participation is not possible due to local government regulations, tax policies, or other reasons. The notes themselves may be valued in U.S. dollars, but the underlying assets are subject to foreign currency risk.

In addition to the investments presented above, the FRS Pension Trust Fund holds positions in futures contracts that are subject to foreign currency risk. A futures contract is an agreement between two parties, a buyer and a seller, to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all participants in a market on an organized futures exchange. Upon entering into a futures contract, collateral is deposited with the broker, in the SBA's name, in accordance with the initial margin requirements of the broker. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends upon specified collateral and margin limits mutually agreed upon by the SBA and the third-party broker. The margin payments are exposed to foreign currency risk. The FRS Pension Trust Fund's futures contract positions at June 30, 2011, that have exposure to foreign currency risk are presented below (in thousands).

**Futures Positions Exposed to Foreign Currency Risk**  
As of June 30, 2011

Currency	Number of Contracts <sup>1</sup>	In Local Currency				Unrealized Gain/(Loss) (in U.S. \$)
		Notional Traded Exposure	Notional Market Exposure	Unrealized Gain/(Loss) <sup>2</sup>		
<b>Stock Index Futures:</b>						
GBP FTSE 100 Index	British pound sterling	217	\$ 12,497	\$ 12,808	\$ 311	\$ 500
Canada S&P/TSE 60 Index	Canadian dollar	77	11,430	11,738	308	319
DJ Euro STOXX 50	Euro currency unit	567	15,594	16,148	554	804
TOPIX Index Future	Japanese yen	139	1,129,723	1,180,805	51,082	633

<sup>1</sup> Long positions are positive and short positions are negative.

<sup>2</sup> Margin receipts or payments are settled periodically in the respective local currency and are subject to foreign currency risk.

In addition, the FRS Pension Trust Fund holds a position in an interest rate swap agreement that is subject to foreign currency risk. The FRS Pension Trust Fund receives a fixed interest rate and pays a variable six-month EURIBOR (Euro Interbank Offered Rate) in Euro currency units. Information on the interest rate swap with currency exposure is presented below (in thousands).

**FRS Pension Trust Fund**  
**Interest Rate Swaps with Foreign Currency Exposure**  
As of June 30, 2011

Currency	Notional Amount (Local Currency)				Fair Value in Local Currency	Fair Value in U.S. Dollars
		Receive	Pay <sup>1</sup>	Maturity Date		
Euro currency unit	113,000	2.737%	EURIBOR 6-month	4/29/2013	1,210	\$ 1,754
					1,210	\$ 1,754

<sup>1</sup>The EURIBOR (Euro Interbank Offered Rate) is the rate at which euro wholesale money market (or interbank market) term deposits within the euro zone are offered by one prime bank to another prime bank.

The FRS Pension Trust Fund also enters into forward foreign currency exchange contracts. Forward foreign currency exchange contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. The contracts are subject to foreign currency risk. The contracts are reported as receivables and payables on the Statement of Fiduciary Net Assets. A schedule of the FRS Pension Trust Fund's forward foreign currency exchange contracts outstanding at June 30, 2011, is presented below, by currency (in thousands).

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FRS Pension Trust Fund  
Forward Foreign Currency Exchange Contracts  
As of June 30, 2011

Currency to Buy	Amount to Buy		Amount to Sell		Payable Value (In U.S. \$)	Fair Value (In U.S. \$)	Unrealized Gain/(Loss) (In U.S. \$)
	Currency	(Local)	Currency	(Local)			
Australian dollar	2,758	U.S. dollar		(2,919)	\$2,952	(\$2,919)	\$33
Brazilian real	884	U.S. dollar		(564)	566	(564)	2
British pound sterling	70	Euro currency unit		(78)	112	(113)	(1)
British pound sterling	3,267	Swedish krona		(33,096)	5,246	(5,245)	1
British pound sterling	6,242	U.S. dollar		(9,995)	10,022	(9,995)	27
Canadian dollar	515	Japanese yen		(43,007)	534	(533)	1
Canadian dollar	3,491	U.S. dollar		(3,617)	3,617	(3,617)	.....
Danish krone	3,125	U.S. dollar		(604)	607	(604)	3
Euro currency unit	1,245	Japanese yen		(145,623)	1,805	(1,803)	2
Euro currency unit	18,340	U.S. dollar		(26,441)	26,590	(26,441)	149
Euro currency unit	20	U.S. dollar		settled	29	settled	29
Hong Kong dollar	530	Japanese yen		(5,492)	68	(68)	.....
Hong Kong dollar	17,795	U.S. dollar		(2,287)	2,287	(2,287)	.....
Indian rupee	79,389	U.S. dollar		(1,782)	1,776	(1,782)	(6)
Indonesian rupiah	26,922,599	U.S. dollar		(3,144)	3,139	(3,143)	(4)
Israeli shekel	693	U.S. dollar		(204)	204	(204)	.....
Japanese yen	1,341,876	U.S. dollar		(16,618)	16,616	(16,618)	(2)
Kenyan shilling	6,027	U.S. dollar		(68)	67	(68)	(1)
New Zealand dollar		settled U.S. dollar		(277)	settled	(277)	(277)
Nigerian naira	1,213	U.S. dollar		(8)	8	(8)	.....
Philippines peso	5,259	U.S. dollar		(121)	121	(121)	.....
Qatari riyal	872	U.S. dollar		(240)	239	(240)	(1)
S. African rand	4,750	Hong Kong dollar		(5,465)	700	(702)	(2)
S. African rand	12,276	U.S. dollar		(1,800)	1,811	(1,800)	11
Singapore dollar	4,009	U.S. dollar		(3,254)	3,266	(3,254)	12
South Korean won	3,501,946	U.S. dollar		(3,286)	3,280	(3,286)	(6)
Swedish krona	2,233	U.S. dollar		(350)	354	(350)	4
Swiss franc	10,815	U.S. dollar		(12,954)	12,844	(12,954)	(110)
Thailand baht	4,004	U.S. dollar		(130)	130	(130)	.....
U.S. dollar	15,402	Australian dollar		(14,488)	15,402	(15,464)	(62)
U.S. dollar	2,038	Brazil real		(3,209)	2,038	(2,054)	(16)
U.S. dollar	4,501	British pound sterling		(2,802)	4,501	(4,498)	3
U.S. dollar	3,623	Canadian dollar		(3,504)	3,623	(3,631)	(8)
U.S. dollar	89	Egyptian pound		(529)	89	(89)	.....
U.S. dollar	13,442	Euro currency unit		(9,305)	13,442	(13,491)	(49)
U.S. dollar	1,271	Hong Kong dollar		(9,889)	1,270	(1,270)	.....
U.S. dollar	333	Hungarian forint		(61,284)	333	(335)	(2)
U.S. dollar	4,909	Indian rupee		(219,166)	4,909	(4,903)	6
U.S. dollar	1,036	Indonesian rupiah		(8,909,500)	1,036	(1,038)	(2)
U.S. dollar	172	Israeli shekel		(609)	172	(179)	(7)
U.S. dollar	27,742	Japanese yen		(2,239,939)	27,742	(27,742)	.....
U.S. dollar	165	Kenyan shilling		(14,917)	165	(167)	(2)
U.S. dollar	1,428	Mexican new peso		(16,805)	1,428	(1,433)	(5)
U.S. dollar	83	Nigerian naira		(12,623)	83	(83)	.....
U.S. dollar	313	Norwegian krone		(1,684)	313	(314)	(1)
U.S. dollar	425	Pakistan rupee		(36,605)	425	(426)	(1)
U.S. dollar	61	Philippines peso		(2,679)	61	(62)	(1)
U.S. dollar	395	Polish zloty		(1,105)	395	(402)	(7)
U.S. dollar	1,061	Qatari riyal		(3,865)	1,061	(1,061)	.....
U.S. dollar	712	Singapore dollar		(876)	712	(714)	(2)
U.S. dollar	3,567	South Korean won		(3,822,788)	3,567	(3,581)	(14)
U.S. dollar	424	Swedish krona		(2,680)	424	(425)	(1)
U.S. dollar	6,109	Swiss franc		(5,121)	6,109	(6,082)	27
U.S. dollar	1,334	Taiwan new dollar		(38,565)	1,334	(1,343)	(9)
U.S. dollar	496	Thailand baht		(15,170)	496	(494)	2
U.S. dollar	472	Turkish new lira		(767)	472	(472)	.....
Total					\$190,592	(\$190,879)	(\$287)

***Component Units***

Component unit information regarding foreign currency risk was not readily available.

**5. Security Lending*****Pooled Investments with the State Treasury***

Section 17.61(1), F.S. authorizes the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities, including U.S. government and federally guaranteed obligations, bonds, and notes to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral for loaned securities cannot be less than 100% of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash; government securities; unconditional, irrevocable standby letters of credit; or other assets specifically agreed to in writing. Cash collateral is invested by the agent in investments authorized by Section 17.57, F.S. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. Since the collateral under security lending agreements (including accrued interest) exceeded the fair value of the securities underlying those agreements (including accrued interest), the Treasury had no credit risk exposure at June 30, 2011. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses that might occur. The State Treasury received \$2,160,279,521 cash collateral for securities loaned to others. Since the State Treasury does not have the ability to pledge or sell non-cash collateral securities, any non-cash portion of the collateral is not reported on the balance sheet. Securities held with others under security lending agreements with cash collateral totaled \$2,115,646,305. There were no securities held with others under security lending agreements with non-cash collateral. Security lending asset and liability balances are allocated at fiscal year end and reported among all participating funds of the primary government. The securities held with others under security lending agreements as of June 30, 2011, are as follows (fair value equals carrying value of investment on loan): Domestic bonds and notes of \$141,654,653, Federal agencies of \$157,044,490, International bonds and notes of \$26,222,097 and U.S. guaranteed obligations of \$1,790,725,065.

***Other Investments***

Through the SBA, various funds, including the FRS Pension Trust Fund, the Florida Lottery Trust Fund, the Lawton Chiles Endowment Fund, and the Florida Prepaid College Trust Fund participate in security lending programs. Initial collateral requirements for securities on loan range from 100% to 105%, depending on the lending agent, the type of security lent and the type of collateral received. The SBA had received and invested \$6,781,597,384 in cash and \$46,556,184 in U.S. government securities as collateral for the lending programs as of June 30, 2011. At June 30, 2011, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest), except for loans with two brokers in the Lawton Chiles Endowment Fund totaling \$4,536. The SBA does not have the ability to pledge or sell the non-cash collateral securities, so the non-cash portion is not reported on the balance sheet or the Statement of (Fiduciary) Net Assets. All security lending programs have indemnity clauses requiring the lending agent to assume borrower's risk from default. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned, because security loan agreements are generally open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investments. However, investments purchased for some security lending programs included investments with final maturities of six months or more representing a range of approximately 5% to 46% of total collateral invested. There are no restrictions on the amount of securities that can be loaned at one time to one borrower for most funds.

In July, 2009, following a third party study of current practices in securities lending, the SBA began transitioning the FRS Pension Trust Fund security lending program from a general collateral/cash re-investment program to an intrinsic/repo only lending model. The latter model recognizes and monetizes only the demand driven lending value of securities held in the portfolio and avoids the credit and liquidity risk of a credit oriented re-investment portfolio. Existing re-investment portfolios contained legacy non-repo securities which would be supported by lending until they are either sold without loss or matured. All new lending would be done using one day repurchase agreements of U.S. Government guaranteed securities as re-investment. The expectation was that both lending revenue and utilization would drop substantially, resulting in the need to reduce the number of lending agents in the program. Two agent lender programs were transitioned to the FRS custodian, leaving one third party agent.. At June 30, 2011, approximately 94% of the lending program was intrinsic.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2011 (in thousands):

**Schedule of Other Investments on Loan Under Security Lending Agreements**  
**As of June 30, 2011**

Securities on Loan for Cash Collateral, by Security type	Fair value of Securities on Loan <sup>1</sup>			Total	
	FRS Pension Trust Fund	Other funds			
		Managed by SBA			
U.S. guaranteed obligations	\$ 1,011,744	\$ 1,864,650		\$ 2,876,394	
Federal agencies	298,149	8,887		307,036	
Domestic bonds & notes	227,208	154,114		381,322	
International bonds & notes	24,851	.....		24,851	
Domestic stocks	1,123,437	128,897		1,252,334	
International stocks	1,666,055	4,484		1,670,539	
Total securities on loan for cash collateral	\$ 4,351,444	\$ 2,161,032		\$ 6,512,476	
Securities on Loan for Non-Cash Collateral, by Security type					
Domestic stocks	\$ 1,007	\$ .....		\$ 1,007	
International stocks	4,024	.....		4,024	
Total securities on loan for non-cash collateral	5,031	.....		5,031	
Total securities on loan	\$ 4,356,475	\$ 2,161,032		\$ 6,517,507	

<sup>1</sup>The fair value equals the carrying value of investments on loan. Fair value includes accrued interest on debt securities.

## 6. Derivatives

A derivative instrument is defined as a financial instrument or other contract that has all of the following characteristics:

- a. Settlement factors. It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. These terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
- b. Leverage. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- c. Net Settlement. Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivative instruments consisted of futures, options, forward currency contracts, and swaps.

### ***Pooled Investments with the State Treasury***

Pursuant to the State Treasury's established investment policy guidelines, interest rate futures are used as part of the investment strategy related to interest rate risk, duration adjustments, and yield curve strategies. Although put and call options on any security are permitted under the State Treasury's investment guidelines interest rate futures were the only type of derivative held as of June 30, 2011. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2011. As of June 30, 2011, all of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2011.

A summary of investment derivatives traded in the State Treasury is presented below (in thousands).

	Changes in Fair Value		Fair Value at June 30, 2011		Notional (in US \$)	
	Classification	Amount	Classification	Amount		
<b>State Treasury</b>						
Investment derivative instruments:						
Futures	Investment Income	\$ (1,243)	Receivable/Payable	\$ 822	\$ (22,300)	
Options*	Investment Income	(127)				

This schedule includes both long and short positions.

\*Options contracts expired prior to fiscal year end.

See section 1E of Note 1 to these financial statements regarding State Treasury's securities pricing policies and independent pricing services methodologies related to securities not available on quoted market pricing exchanges.

### ***Other Investments***

The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are authorized to be used as tools for managing risk or executing investment strategies more efficiently than could otherwise be done in cash markets. Derivative instruments shall only be used as part of a prudent investment process. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, default risk, and mortgaged-backed security prepayment risk, as well as to cost effectively manage exposure to domestic and international equities and bond and real estate markets.

A futures contract is an agreement between two parties, a buyer and a seller, to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all participants in a market on an organized futures exchange. Future contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Fiduciary Net Assets. Losses may arise from future changes in the value of the underlying instrument.

An option gives the buyer a stipulated privilege of buying or selling a stated property, security, or commodity at a given price (strike price) within a specified time (for an American-style option, at any time prior to or on the expiration date). A securities option is a negotiable contract in which the seller (writer), for a certain sum of money called the option premium, gives the buyer the right to demand within a specified time the purchase (call) from or sale (put) to the option seller of a specified number of bonds, currency units, index units, or shares of stock, at a fixed price or rate, called the strike price or rate.

A forward contract is a contractual obligation, typically over-the-counter, traded between two parties to exchange a particular good or instrument at a set price on a future date. The buyer of the forward agrees to pay the price and take delivery of the good or instrument and is said to be "long" the forward, while the seller of the forward, or "short", agrees to deliver the good or instrument at the agreed price on the agreed date.

A swap is a contractual agreement to exchange a stream of periodic payments with a counterparty. Swaps are available in and between all active financial markets, including, but not limited to, interest rate swaps and credit default swaps. A credit default swap is an agreement that allows one party to "buy" protection from another party for losses that might be incurred as a result of default by a specified reference credit (or credits). The "buyer" of protection pays a premium for the protection, and the "seller" of protection agrees to make a payment to compensate the buyer for losses incurred if a defined credit even occurs.

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A summary of investment derivatives traded in the Lawton Chiles Endowment Fund and the FRS Pension Trust Fund is presented below (in thousands). As of June 30, 2011, all of the SBA investment derivatives were reported at fair value.

	Increase/(Decrease) in Fair Value		Fair Value at June 30, 2011		Notional (in US \$)	
	Classification	Amount (in US \$)	Classification	Amount (in US \$)		
<b>Governmental activities (Lawton Chiles Endowment Fund)</b>						
Investment derivative instruments:						
Futures <sup>1</sup>	Investment Income	\$ 249	Receivable/ Payable <sup>1</sup>	\$ 22	\$ 838	
<b>Fiduciary funds (FRS Pension Trust Fund)</b>						
Investment derivative instruments:						
Futures <sup>1</sup>	Investment Income	\$ 109,977	Receivable/ Payable <sup>1</sup>	\$ 5,594	\$ 4,852,959	
Options <sup>2</sup>	Investment Income	236	Investment/Liability <sup>2</sup>	1,001	468,800	
Forward currency exchange contracts <sup>3</sup>	Investment Income	14,536	Receivable/ Payable <sup>3</sup>	(287)	(287)	
Interest rate swaps	Investment Income	6,706	Investment	1,593	357,833	
Credit default swaps	Investment Income	2,598	Investment	103	110,434	
Total return swaps <sup>4</sup>	Investment Income	6,896	Not applicable <sup>4</sup>	.....	.....	

<sup>1</sup> The total unrealized gain for open futures contracts at June 30, 2011, was \$5,593,791 in the FRS Pension Trust Fund and \$21,775 for the Lawton Chiles Endowment Fund. However, the majority of this gain has been settled with cash received from the future clearing broker on or before June 30, 2011. Outstanding remaining net futures trade equity at June 30, 2011, totaled \$1,459,444 for FRS, and \$6,790 for Lawton Chiles, which is reported gross on the Statement of (Fiduciary) Net Assets as "Futures trade equity receivable" and "Futures trade equity payable". The total notional values on long and short futures positions in FRS were \$5,689,458,648 and (\$836,500,000), respectively. The total notional value on long futures positions held in Lawton Chiles was \$837,940.

<sup>2</sup> Purchased options are reported as investments. Sold options are reported as liabilities.

<sup>3</sup> The total Receivable and Payable notional and fair values (in U.S. \$) for forward currency exchange contracts in the FRS Pension Trust Fund were \$190,592,545 and (\$190,879,194) as of June 30, 2011. These amounts are reported as "Forward contracts" receivable and "Forward contracts payable" on the Statement of Fiduciary Net Assets.

<sup>4</sup> The total return swaps in the FRS Pension Trust Fund were closed prior to the end of the fiscal year.

## 7. Commitments

At June 30, 2011, the FRS Pension Trust Fund had total unfunded capital commitments of \$6.6 billion that is not recorded on the FRS Pension Trust Fund Statement of Fiduciary Net Assets. The following table depicts the unfunded commitments by asset class (in thousands).

FRS Pension Trust Fund  
Unfunded Commitments  
As of June 30, 2011

Asset Class	Unfunded Commitments (in U.S. \$)
Private Equity <sup>1</sup>	\$ 4,439,542
Strategic Investments	1,906,335
Real Estate	208,498
<b>Total</b>	<b>\$ 6,554,375</b>

<sup>1</sup> Includes \$3,999,116,635 in U.S. dollars and 303,773,085 in Euro currency units with a June 30, 2011 U.S. dollar value of \$440,425,408.

**NOTE 3 - RECEIVABLES AND PAYABLES**

"Receivables, net" and "Other loans and notes receivables, net," as presented on the Government-wide Statement of Net Assets and the applicable balance sheets and statements of net assets in the fund financial statements, consist of the following (in thousands):

**GOVERNMENTAL ACTIVITIES**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Accounts receivable	\$ 178,205	\$ 14,779	\$ 43	\$ 370,042	\$ 4,533
Due from Federal government	158	20,581	45,545	1,389,889	36,439
Due from other governmental units	109	759	.....	4,222	62,312
Interest & dividends receivable	5,772	2,296	2,089	275	5,368
Loans & notes receivable	20,458	97,160	573	.....	516
Fees Receivable	106,407	12	2	.....	.....
Taxes receivable	2,475,250	20,147	57,682	.....	183,278
Allowance for uncollectibles	(1,358,027)	(10,485)	(379)	(28,966)	(668)
<b>Receivables, net</b>	<b>\$ 1,428,332</b>	<b>\$ 145,249</b>	<b>\$ 105,555</b>	<b>\$ 1,735,462</b>	<b>\$ 291,778</b>

Loans & notes receivable from other governments	\$ ..... \$	1,029,989	\$ ..... \$	..... \$	754,458
Long-term interest receivable	.....	.....	.....	.....	519
Other loans & notes receivable	12,995	.....	.....	271,607	1,215
Allowance for uncollectibles	(160)	.....	.....	(244,157)	(9,881)
<b>Other loans &amp; notes receivable, net</b>	<b>\$ 12,835</b>	<b>\$ 1,029,989</b>	<b>\$ ..... \$</b>	<b>27,450</b>	<b>\$ 746,311</b>

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts receivable	\$ 309,454	\$ 877,056	\$ 14,458	\$ 640,928	\$ 1,532,442
Due from Federal government	90,653	1,583,265	.....	.....	1,583,265
Due from other governmental units	47,262	114,664	3,218	.....	117,882
Interest & dividends receivable	4,755	20,555	877	.....	21,432
Loans & notes receivable	122,592	241,299	.....	.....	241,299
Fees Receivable	319	106,740	.....	.....	106,740
Taxes receivable	1,772	2,738,129	.....	.....	2,738,129
Allowance for uncollectibles	(195,226)	(1,593,751)	(11)	.....	(1,593,762)
<b>Receivables, net</b>	<b>\$ 381,581</b>	<b>\$ 4,087,957</b>	<b>\$ 18,542</b>	<b>\$ 640,928</b>	<b>\$ 4,747,427</b>
Loans & notes receivable from other governments	\$ 876,504	\$ 2,660,951	\$ ..... \$	..... \$	2,660,951
Long-term interest receivable	.....	519	.....	.....	519
Other loans & notes receivable	219,606	505,423	.....	.....	505,423
Allowance for uncollectibles	(33,222)	(287,420)	.....	.....	(287,420)
<b>Other loans &amp; notes receivable, net</b>	<b>\$ 1,062,888</b>	<b>\$ 2,879,473</b>	<b>\$ ..... \$</b>	<b>..... \$</b>	<b>2,879,473</b>

**BUSINESS-TYPE ACTIVITIES**

	Transportation	Lottery	Catastrophe Fund	Hurricane Catastrophe Fund	Prepaid College Program	Unemployment Compensation
Accounts receivable	\$ 3,114	\$ 23,618	\$ 127,186	\$ 60,567	\$ 272,216	
Due from Federal government	.....	.....	.....	.....	.....	57,137
Due from other governmental units	88	.....	.....	.....	.....	2,746
Interest & dividends receivable	1,678	930	3,069	20,373	.....	85,361
Loans & notes receivable	.....	.....	.....	340,683	.....	
Fees Receivable	2,382	.....	.....	.....	.....	2,024
Taxes receivable	.....	.....	.....	.....	.....	431,927
Allowance for uncollectibles	.....	(2,364)	(9,441)	(4)	(246,514)	
<b>Receivables, net</b>	<b>\$ 7,262</b>	<b>\$ 22,184</b>	<b>\$ 120,814</b>	<b>\$ 421,619</b>	<b>\$ 604,897</b>	

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts receivable	\$ 11,917	\$ 498,618	\$ 5,393	\$ 504,011
Due from Federal government	.....	57,137	.....	57,137
Due from other governmental units	2	2,836	.....	2,836
Interest & dividends receivable	471	111,882	.....	111,882
Loans & notes receivable	.....	340,683	.....	340,683
Fees Receivable	80	4,486	.....	4,486
Taxes receivable	.....	431,927	.....	431,927
Allowance for uncollectibles	(2,146)	(260,469)	.....	(260,469)
<b>Receivables, net</b>	<b>\$ 10,324</b>	<b>\$ 1,187,100</b>	<b>\$ 5,393</b>	<b>\$ 1,192,493</b>

**COMPONENT UNITS**

Accounts receivable	\$ 1,540,727
Contracts & grants receivable	199,457
Due from Federal government	4,053
Due from other governmental units	420,294
Interest & dividends receivable	119,516
Loans & notes receivable	112,063
Allowance for uncollectibles	(444,574)
<b>Receivables, net</b>	<b>\$ 1,951,536</b>
Other loans & notes receivable	\$ 3,932,748
Allowance for uncollectible	(265,549)
<b>Other loans &amp; notes receivable, net</b>	<b>\$ 3,667,199</b>

“Accounts payable and accrued liabilities,” as presented on the Government-wide Statement of Net Assets and the applicable balance sheets and statements of net assets in the fund financial statements, consist of the following (in thousands):

**GOVERNMENTAL ACTIVITIES**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Accounts payable	\$ 280,504	\$ 20,576	\$ 46,818	\$ 181,863	\$ 192,318
Accrued salaries & wages	53,726	930	42	23,920	8,907
Claims payable	.....	.....	.....	.....	.....
Construction contracts	.....	.....	.....	.....	418,412
Current accrued interest	.....	.....	.....	.....	.....
Deposits payable	200	361	1,484	10	4,428
Due to Federal government	.....	.....	.....	23,055	.....
Due to other governmental units	158,898	11,330	.....	5,482	7,021
Other payables	.....	.....	.....	.....	.....
Vouchers payable	8,851	.....	.....	.....	.....
<b>Accounts payable and accrued liabilities</b>	<b>\$ 502,179</b>	<b>\$ 33,197</b>	<b>\$ 48,344</b>	<b>\$ 234,330</b>	<b>\$ 631,086</b>

*(Continued below)*

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts payable	\$ 180,387	\$ 902,466	\$ 14,882	\$ 783,531	\$ 1,700,879
Accrued salaries & wages	6,800	94,325	1,755	.....	96,080
Claims payable	.....	.....	60,433	.....	60,433
Construction contracts	539	418,951	.....	.....	418,951
Current accrued interest	.....	.....	5,924	.....	5,924
Deposits payable	649	7,132	.....	.....	7,132
Due to Federal government	1,543	24,598	.....	.....	24,598
Due to other governmental units	22,267	204,998	.....	.....	204,998
Other payables	5,591	5,591	.....	.....	5,591
Vouchers payable	616	9,467	.....	.....	9,467
<b>Accounts payable and accrued liabilities</b>	<b>\$ 218,392</b>	<b>\$ 1,667,528</b>	<b>\$ 82,994</b>	<b>\$ 783,531</b>	<b>\$ 2,534,053</b>

**BUSINESS-TYPE ACTIVITIES**

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Unemployment Compensation
Accounts payable	\$ 391	\$ 9,520	\$ 654,706	\$ 316,393	\$ 78,864
Accrued interest payable	.....	.....	.....	.....	.....
Accrued salaries & wages	.....	49	47,757	.....	.....
Construction contracts	113,376	.....	.....	.....	.....
Deposits payable	200	2,567	.....	.....	.....
<b>Accounts payable and accrued liabilities</b>	<b>\$ 113,967</b>	<b>\$ 12,136</b>	<b>\$ 702,463</b>	<b>\$ 316,393</b>	<b>\$ 78,864</b>

(Continued below)

	Non major Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts payable	\$ 4,685	\$ 1,064,559	\$ 699	\$ 1,065,258
Accrued interest payable	.....	.....	.....	.....
Accrued salaries & wages	1,666	49,472	.....	49,472
Construction contracts	.....	113,376	.....	113,376
Deposits payable	61	2,828	.....	2,828
<b>Accounts payable and accrued liabilities</b>	<b>\$ 6,412</b>	<b>\$ 1,230,235</b>	<b>\$ 699</b>	<b>\$ 1,230,934</b>

**COMPONENT UNITS**

Accounts payable	\$ 943,540
Accrued interest payable	103,604
Accrued salaries & wages	161,264
Claims payable	1,748,268
Construction contracts	80,009
Deposits payable	85,451
Due to Federal government	4,317
Due to other governmental units	3,490
Other payables	7,558
<b>Accounts payable and accrued liabilities</b>	<b>\$ 3,137,501</b>

**NOTE 4 – TAXES**

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, one of the principal sources of financing state operations. A schedule of tax revenues by major tax type for each applicable major governmental fund, and for nonmajor governmental funds in the aggregate, is presented below (in thousands):

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Sales and use tax	\$ 17,786,300	\$ .....\$ .....\$ .....\$ .....\$ .....\$ .....\$ .....\$ 17,786,300					
Fuel taxes:							
Motor fuel tax	.....	.....	.....	.....	2,158,775	.....	2,158,775
Pollutant tax	.....	234,538	.....	.....	.....	.....	234,538
Aviation fuel tax	.....	.....	.....	.....	60,183	.....	60,183
Solid minerals severance tax	.....	48,362	.....	.....	.....	.....	48,362
Oil and gas production tax	10,535	.....	.....	.....	.....	.....	10,535
Total fuel taxes	10,535	282,900	.....	.....	2,218,958	.....	2,512,393
Corporate income tax	1,880,365	.....	.....	.....	.....	.....	1,880,365
Documentary stamp tax	1,152,222	.....	.....	.....	.....	.....	1,152,222
Intangible personal property tax	163,553	.....	.....	.....	.....	.....	163,553
Communications service tax	996,285	.....	431,566	.....	.....	.....	1,427,851
Estate tax	954	.....	.....	.....	.....	.....	954
Gross receipts utilities tax	.....	6,892	640,666	.....	.....	.....	647,558
Beverage and tobacco taxes:							
Alcoholic beverage tax	548,968	.....	.....	.....	.....	11,183	560,151
Cigarette tax	1,298,648	.....	.....	.....	.....	.....	1,298,648
Smokeless tobacco tax	27,266	.....	.....	.....	.....	.....	27,266
Total beverage and tobacco taxes	1,874,882	.....	.....	.....	.....	11,183	1,886,065
Other taxes:							
Insurance premium tax	869,083	.....	.....	.....	.....	7,661	876,744
Hospital public assistance tax	.....	.....	.....	833,736	.....	.....	833,736
Citrus excise tax	.....	.....	.....	.....	.....	42,093	42,093
Pari-mutuel wagering tax	6,177	.....	.....	.....	.....	139,769	145,946
Total other taxes	875,260	.....	.....	833,736	.....	189,523	1,898,519
Total	\$ 24,740,356	\$ 289,792	\$ 1,072,232	\$ 833,736	\$ 2,218,958	\$ 200,706	\$ 29,355,780

A reconciliation of balances in governmental fund statements to government-wide financial statements follows (in thousands):

	Sales and Use Tax
Governmental fund statements	\$ 17,786,300
Government-wide accruals	<u>35,703</u>
Government-wide statements	<u><u>\$ 17,822,003</u></u>

## NOTE 5 - CAPITAL ASSETS

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

For financial statement purposes, the state reports capital assets under the following categories and has established a reporting capitalization threshold for each category. Applicable capital assets are depreciated over the appropriate estimated useful lives using the straight-line method.

<b>Capital Asset Category</b>	<b>Financial Statement Capitalizing Threshold</b>	<b>Estimated Useful Life (in Years)</b>
<b>Land and other nondepreciable assets</b>	Capitalize all	Not depreciable
<b>Nondepreciable infrastructure</b>	Capitalize all	Not depreciable
<b>Construction work in progress</b>	\$100,000 when work is completed	Not depreciable
<b>Buildings, equipment, and other depreciable assets</b>		
Buildings and building improvements	\$100,000	5 - 50
Infrastructure and infrastructure improvements (depreciable)	\$100,000	3 - 50
Leasehold improvements	\$100,000	2 - 15
Intangible assets	\$4,000,000	2 - 30
Property under capital lease	Threshold correlates to asset category	2 - 20
Furniture and equipment	\$1,000 and \$250 for non-circulated books	2 - 25
Works of art and historical treasures	Items capitalized as of June 30, 1999, remain capitalized; capitalize unless considered a collection	5 - 50
Library resources	\$25	5 - 50
Other capital assets	\$1,000	3 - 20

The state has elected to use the modified approach for accounting for its bridges and roadways included in the State Highway System. Under this approach, the Department of Transportation has made the commitment to preserve and maintain these assets at levels established by the Department of Transportation and approved by the Florida Legislature. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The Department of Transportation maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the Department of Transportation makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. Refer to the Required Supplementary Information for additional information on infrastructure using the modified approach.

Not included in the reported capital assets are the irreplaceable collections at various historic sites and museums throughout the state. For example, the Museum of Florida History, located in Tallahassee, currently has artifacts illustrating the history of Florida since the arrival of human beings on the peninsula. It also has access to collections that include Florida upland and underwater archaeology, Florida archives, and Florida and Spanish colonial numismatics.

Depreciation expense charged to functions of governmental activities for the year ended June 30, 2011, is as follows (in thousands):

General Government	\$ 66,881
Education	6,826
Human Services	51,515
Criminal Justice & Correction	92,400
Natural Resources & Environment	61,023
Transportation	43,722
State Courts	3,872
<b>Total depreciation expense (governmental activities)</b>	<b><u>\$ 326,239</u></b>

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Primary government capital asset activities for the fiscal year ended June 30, 2011, are as follows (in thousands):

**GOVERNMENTAL ACTIVITIES**

	Balance 7/1/2010	Increases	Decreases	Balance 6/30/2011
<b>Capital assets, not being depreciated:</b>				
Land and other nondepreciable assets	\$ 16,701,408	\$ 262,022	\$ 34,342	\$ 16,929,088
Infrastructure and infrastructure improvements - nondepreciable	33,225,425	1,739,466	.....	34,964,891
Construction work in progress	7,105,008	1,157,414	2,397,640	5,864,782
<b>Total capital assets, not being depreciated</b>	<b>57,031,841</b>	<b>3,158,902</b>	<b>2,431,982</b>	<b>57,758,761</b>
<b>Capital assets, being depreciated:</b>				
Buildings and building improvements	4,187,182	565,004	49,003	4,703,183
Infrastructure and infrastructure improvements	563,192	84,190	4,725	642,657
Leasehold improvements	614	.....	108	506
Property under capital lease	181,865	162	5,070	176,957
Furniture and equipment	1,779,410	133,403	130,684	1,782,129
Works of art and historical treasures	1,457	461	45	1,873
Library resources	30,460	930	45	31,345
Other	66,632	24,302	19,321	71,613
<b>Total capital assets, being depreciated</b>	<b>6,810,812</b>	<b>808,452</b>	<b>209,001</b>	<b>7,410,263</b>
<b>Less accumulated depreciation for:</b>				
Buildings and building improvements	1,956,003	144,777	15,197	2,085,583
Infrastructure and infrastructure improvements	277,782	25,853	1,444	302,191
Leasehold improvements	160	42	.....	202
Property under capital lease	38,174	10,953	2,261	46,866
Furniture and equipment	1,290,206	138,637	106,893	1,321,950
Works of art and historical treasures	621	95	27	689
Library resources	13,278	1,224	23	14,479
Other	44,225	4,658	8,744	40,139
<b>Total accumulated depreciation</b>	<b>3,620,449</b>	<b>326,239</b>	<b>134,589</b>	<b>3,812,099</b>
<b>Total capital assets, being depreciated, net</b>	<b>3,190,363</b>	<b>482,213</b>	<b>74,412</b>	<b>3,598,164</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 60,222,204</b>	<b>\$ 3,641,115</b>	<b>\$ 2,506,394</b>	<b>\$ 61,356,925</b>

**BUSINESS-TYPE ACTIVITIES**

	Balance 7/1/2010	Increases	Decreases	Balance 6/30/2011
<b>Capital assets, not being depreciated:</b>				
Land and other nondepreciable assets	\$ 912,544	\$ 4,101	\$ 14,986	\$ 901,659
Infrastructure and infrastructure improvements - nondepreciable	6,110,964	384,682	67,552	6,428,094
Construction work in progress	624,161	410,021	424,004	610,178
<b>Total capital assets, not being depreciated</b>	<b>7,647,669</b>	<b>798,804</b>	<b>506,542</b>	<b>7,939,931</b>
<b>Capital assets, being depreciated:</b>				
Buildings and building improvements	272,840	14,545	6,375	281,010
Infrastructure and infrastructure improvements	651	436	.....	1,087
Leasehold improvements	.....	30	.....	30
Furniture and equipment	171,224	20,519	12,003	179,740
Other	9,586	16,604	1	26,189
<b>Total capital assets, being depreciated</b>	<b>454,301</b>	<b>52,134</b>	<b>18,379</b>	<b>488,056</b>
<b>Less accumulated depreciation for:</b>				
Buildings and building improvements	115,712	9,238	4,078	120,872
Infrastructure and infrastructure improvements	54	53	.....	107
Leasehold improvements	.....	30	.....	30
Furniture and equipment	117,084	10,824	11,082	116,826
Other	8,576	2,283	.....	10,859
<b>Total accumulated depreciation</b>	<b>241,426</b>	<b>22,428</b>	<b>15,160</b>	<b>248,694</b>
<b>Total capital assets, being depreciated, net</b>	<b>212,875</b>	<b>29,706</b>	<b>3,219</b>	<b>239,362</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 7,860,544</b>	<b>\$ 828,510</b>	<b>\$ 509,761</b>	<b>\$ 8,179,293</b>

Component units' capital asset activities for the fiscal year ended June 30, 2011, are as follows (in thousands):

	<b>COMPONENT UNITS</b>			
	Balance 7/1/2010	Increases	Decreases	Balance 6/30/2011
<b>Capital assets, not being depreciated:</b>				
Land and other non-depreciable assets	\$ 5,761,623	\$ 231,715	\$ 62,726	\$ 5,930,612
Construction work in progress	1,592,871	979,411	749,190	1,823,092
<b>Total capital assets, not being depreciated</b>	<b>7,354,494</b>	<b>1,211,126</b>	<b>811,916</b>	<b>7,753,704</b>
<b>Capital assets, being depreciated:</b>				
Buildings and building improvements	13,967,952	1,002,257	13,108	14,957,101
Infrastructure and infrastructure improvements	2,062,703	99,579	4,294	2,157,988
Leasehold improvements	280,146	15,029	852	294,323
Property under capital lease	120,646	17,456	18,421	119,681
Furniture and equipment	3,514,037	304,466	198,312	3,620,191
Works of art and historical treasures	2,939	463	238	3,164
Library resources	840,866	48,313	8,369	880,810
Other	215,052	70,073	3,456	281,669
<b>Total capital assets, being depreciated</b>	<b>21,004,341</b>	<b>1,557,636</b>	<b>247,050</b>	<b>22,314,927</b>
<b>Less accumulated depreciation for:</b>				
Buildings and building improvements	4,213,584	402,037	3,409	4,612,212
Infrastructure and infrastructure improvements	686,955	69,255	692	755,518
Leasehold improvements	71,183	11,570	789	81,964
Property under capital lease	56,341	6,933	6,719	56,555
Furniture and equipment	2,372,450	276,961	162,856	2,486,555
Works of art and historical treasures	1,009	309	59	1,259
Library resources	613,478	42,673	3,770	652,381
Other	168,282	33,488	2,546	199,224
<b>Total accumulated depreciation</b>	<b>8,183,282</b>	<b>843,226</b>	<b>180,840</b>	<b>8,845,668</b>
<b>Total capital assets, being depreciated, net</b>	<b>12,821,059</b>	<b>714,410</b>	<b>66,210</b>	<b>13,469,259</b>
<b>Component units capital assets, net</b>	<b>\$ 20,175,553</b>	<b>\$ 1,925,536</b>	<b>\$ 878,126</b>	<b>\$ 21,222,963</b>

## NOTE 6 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

### A. Pensions

#### 1. The Florida Retirement System

The Florida Retirement System (FRS) was created in Chapter 121, F. S., effective December 1, 1970, by consolidating and closing these existing plans to new members: the Teachers' Retirement System (Chapter 238, Florida Statutes [F.S.]), the State and County Officers and Employees' Retirement System (Chapter 122, F.S.), and the Highway Patrol Pension Trust Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Section 121.046, F.S.) was closed and consolidated into the FRS. The FRS was created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the FRS Investment Plan. Effective July 1, 2007, the Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program, established under Section 121.40, F.S., was consolidated under the Florida Retirement System defined benefit plan as a closed retirement plan. Participation in the IFAS Supplemental Retirement Program does not constitute membership in the FRS.

Chapter 121, F.S., also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the state, state elected officials who chose SMSC membership in lieu of Elected Officers' Class membership, and faculty and specified employees in the state university system and state community colleges. Provisions relating to the FRS are also contained in Chapter 112, F.S.

FRS membership is compulsory for all employees filling a regularly established position in a state agency, county agency, state university, state community college, or district school board. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program.

There are five general classes of membership, as follows:

- *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* - Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, and assistant capital collateral representatives. Members of the Elected Officers' Class may elect to withdraw from the FRS or participate in the Senior Management Service Class in lieu of the Elected Officers' Class.
- *Special Risk Class* - Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers, certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* - Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected Officers' Class (EOC)* - Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

The FRS defined benefit plan (the FRS Pension Plan) provides vesting of benefits after six years of service for all membership classes. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5% benefit reduction for each year prior to the normal retirement age.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* - Six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. 30 years of creditable service regardless of age before age 62.
- *Special Risk Class and Special Risk Administrative Support Class Members* - Six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. 25 years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

*Note: Any member not employed in a regularly established position on July 1, 2001, becomes vested upon completion of one year of creditable service after July 1, 2001.*

Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits of retirees and annuitants are increased each July 1 by a 3% cost-of-living adjustment.

The Deferred Retirement Option Program (DROP) became effective July 1, 1998, subject to provisions of Section 121.091(13), F.S. Defined benefit plan members who reach normal retirement are eligible to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. Monthly retirement benefits remain in the FRS Trust Fund during DROP participation and accrue interest. As of June 30, 2011, the FRS Trust Fund projected \$2,543,635,828 in accumulated benefits and interest for 36,890 current and prior participants in the DROP, which does not include 8,202 members whose DROP applications were acknowledged but not worked as of June 30, 2011.

The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans. The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration invests the assets of the Pension Plan held in the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded through earnings on investments of the FRS Trust Fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

The State Board of Administration administers the defined contribution plan officially titled the FRS Investment Plan. Service retirement benefits are based upon the value of the member's account upon retirement. The FRS Investment Plan provides vesting after one year of service for Investment Plan contributions regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, six years of service (including the service credit represented by the transferred funds) is required to be vested for these funds and the earnings on the funds. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. The Investment Plan member directs the investment from the options offered under the plan. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.03% of payroll and by forfeited benefits of plan members. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

All participating employers must comply with statutory contribution requirements. Section 121.031(3), F.S., requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Legislature as guidance for funding decisions. Employer and employee contribution rates are established in Section 121.71, F.S. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the actuary but set by the Legislature. Statutes require that any unfunded actuarial liability (UAL) be amortized within 30 plan years. Pursuant to Section 121.031(3)(f), F.S., any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves for all defined benefit pension plans at June 30, 2011, was \$126,648,231,085. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

The 2011 Florida Legislature enacted the following changes effective July 1, 2011:

- A 3% pre-tax employee contribution is required of FRS members and participants in the SMSOAP, SUSORP, SCCORP. Deferred Retirement Option Program participants and reemployed retirees without renewed membership do not make required employee contributions.
- Service credit earned on or after July 1, 2011, is not included in the calculation of an individual's portion of a 3% cost-of-living adjustment (COLA). Members initially enrolled on or after July 1, 2011, will not receive a COLA during retirement.
- The accounts of retirees entering DROP participation beginning on or after July 1, 2011, will earn 1.3% per year instead of 6.5%.
- FRS Pension Plan members initially enrolled on or after July 1, 2011, will:
  - Vest after completing eight years of service,
  - Have their average final compensation calculated using their highest eight years of salary,
  - Reach normal retirement for the Special Risk Class after completing 30 years of service or after reaching age 60 and vested. All other classes reach normal retirement after completing 33 years of service or after reaching age 65 and vested.

**FRS Retirement Contribution Rates:**

Membership Class	Uniform Normal Cost Rates Recommended by Actuarial Valuation as of 7/1/2009 for Fiscal Year 2010-2011*	7/1/2010 Statutory Rates (Ch. 121, F.S.)
Regular	9.76%	9.63%
Senior Management Service	11.70%	13.43%
Special Risk	22.15%	22.11%
Special Risk Administrative Support	11.24%	12.10%
Elected Officers - Judges	19.39%	20.65%
Elected Officers - Legislators/Attorneys/Cabinet	14.38%	15.20%
Elected Officers - County	16.62%	17.50%
Deferred Retirement Option Program - applicable to members from all of the above classes or plans	14.23%	11.14%

\* Rates indicated are uniform rates for all FRS members created by blending the FRS Investment Plan and FRS Pension Plan rates and do not include a 0.03% contribution for the FRS Investment Plan administration and educational program fee. These rates also reflect the impact to the FRS of HB 479 which was passed during the 2009 Legislative Session.

**FRS Participating Employers:**

State Agencies	55
County Agencies	396
District School Boards	67
Community Colleges	28
Cities	185 *
Special Districts	243 *
Hospitals	6 *
Other	12
Total Participating Employers	<u>992</u>

\* These totals include the 26 cities, 5 independent hospitals, and 12 independent special districts that are closed to new FRS members as of January 1, 1996.

**FRS Membership:**

Member Types	Regular Class	SMSC	Special Risk	Special Risk Admin Supp	EOC	Total
<b>Active:</b>						
Non-vested	141,814	1,444	20,897	1	437	164,593
Vested	419,378	6,154	51,778	62	1,781	479,153
DROP Participants	39,771	785	4,222	9	305	45,092
Current Retirees and Beneficiaries	287,055	2,611	26,851	170	2,194	318,881
Vested Terminated	83,566	983	5,364	16	342	90,271
<b>Total Members</b>	<b>971,584</b>	<b>11,977</b>	<b>109,112</b>	<b>258</b>	<b>5,059</b>	<b>1,097,990</b>

The above counts for "Current Retirees and Beneficiaries" do not reflect the FRS Investment Plan members who retired. The above counts for "DROP Participants" include 8,202 members whose DROP accounts were acknowledged but were not finalized as of June 30, 2011.

Additional information about the FRS Pension Plan can be obtained from the Research and Education Section, Division of Retirement by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877) 377-1737 or (850) 488-5706; by email at rep@dms.myflorida.com; or at the Division's website (<http://frs.myflorida.com>).

## **FRS Participation by the State of Florida**

The State of Florida contributes to the FRS as a participating employer. State participation for the following disclosure includes the employees of state agencies and the State University System that elect to participate in the FRS. The state contributes to both the defined benefit and defined contribution plans within the FRS. For the fiscal year ended June 30, 2011, the state's total covered payroll for its 136,223 active members and 9,544 DROP participants is \$5,891,229,072 with contributions totaling \$765,450,834 or 12.99% of payroll. Contributions for the fiscal years ending June 30, 2009, and June 30, 2010, were \$678,565,996 and \$686,993,414, respectively. These amounts were equal to the required contributions for each year. Covered payroll refers to FRS-eligible compensation paid by the state to active FRS-participating employees on which contributions are owed. The state's contributions represented 21.97% of the total contributions required of all participating employers.

Employee eligibility, benefits, and contributions by class are as previously described. Employees not filling regular established positions and working under the other personal services (OPS) status are not covered by the FRS.

## **2. Retiree Health Insurance Subsidy Program**

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, F.S. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. For the fiscal year ended June 30, 2011, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, F.S. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2011, the contribution rate was 1.11% of payroll pursuant to Section 112.363, F.S. The state contributed 100% of its statutorily required contributions for the current and preceding two years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

The Other Required Supplementary Information section of this report includes actuarial and other information regarding this HIS Program. The HIS Program disclosures are also included in the FRS Annual Report prepared by the Division of Retirement. For a copy of that report or other information regarding this benefit, please contact the Division of Retirement by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877) 377-1737 or (850) 488-5706; or by email at rep@dms.myflorida.com. The table below provides additional information for the HIS as of June 30 (in thousands where amounts are dollars):

	2009	2010	2011
Recipients	256,452	269,999	283,479
Contributions	\$341,569	\$332,023	\$334,449
Benefits paid	\$321,742	\$338,892	\$356,150
Trust Fund net assets	\$294,547	\$291,459	\$271,348

### 3. Funded Status for Defined Benefit Pension Plans

The following table provides funding information for the most recent actuarial valuation dates (amounts expressed in thousands):

Pension Plan	Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
FRS	July 1, 2010	\$ 120,929,666	\$ 139,652,377	\$ 18,722,711	86.59%	25,765,362 <sup>(1)</sup>	72.67%
HIS	July 1, 2010	\$ 291,459	\$ 8,464,530	\$ 8,173,071	3.44%	31,717,281 <sup>(2)</sup>	25.77%

Additional information as of the latest actuarial valuation follows:

	FRS	HIS
Valuation date	July 1, 2010	July 1, 2010
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percentage of Pay, Open	Level Percentage of Pay, Open
Equivalent single amortization period	30 Years, <sup>(3)</sup> Open	30 Years, <sup>(3)</sup> Open
Asset valuation method	5-Year Smoothed Method	Market Value
Actuarial assumptions:		
Investment rate of return	7.75% <sup>(4)</sup>	4.00% <sup>(4)</sup>
Projected salary increases	5.85% <sup>(4, 5)</sup>	5.85% <sup>(4, 5)</sup>
Cost-of-living adjustments	3.00%	0.00%

<sup>(1)</sup> Includes Deferred Retirement Option Program (DROP) payroll.

<sup>(2)</sup> Includes Deferred Retirement Option Program (DROP) and Public Employee Optional Retirement Program (PEORP) payroll.

<sup>(3)</sup> Used for GASB Statement No. 27 reporting purposes.

<sup>(4)</sup> Includes inflation at 3.00%.

<sup>(5)</sup> Includes individual salary growth of 4.00% plus an age- and service-graded merit scale defined by gender and employment class.

The FRS schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to actuarial accrued liability for benefits. The Retiree HIS schedule of funding progress presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits as of July 1, 2010, the most recent actuarial valuation available.

#### 4. Other Defined Contribution Programs (Optional Retirement Programs)

##### State University System Optional Retirement Program (SUSORP)

Section 121.35, F.S., created the SUSORP for eligible State University System faculty, administrators, and administrative and professional staff. This program is designed to aid universities in recruiting employees who may not remain in the FRS long enough to vest. The SUSORP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed by the participant to provide retirement and death benefits. Employees in eligible positions are compulsory participants in the SUSORP unless they elect FRS membership. Faculty in a college of medicine with a faculty practice plan are mandatory SUSORP participants and cannot elect FRS membership.

The employing universities were statutorily required to contribute 10.43% of the participants' gross monthly compensation from July 2010 through June 2011. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize any unfunded actuarial liability (UAL). There was no UAL payment required for fiscal year 2010-11. In accordance with Chapter 60U-2, Florida Administrative Code, 0.01% of the employer contribution rate was used for the administration of the SUSORP program and 10.42% was distributed to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university. Additional information pertaining to the SUSORP is as follows:

Members	16,999	
Payroll	\$ 1,496,459,364	
Contributions:		
Employee	\$ 66,531,361	4.45% of payroll
Employer	\$ 153,183,774	10.24% of payroll

##### Senior Management Service Optional Annuity Program (SMSOAP)

Section 121.055, F.S., created the SMSOAP as an optional retirement program for state members of the Senior Management Service Class. The SMSOAP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed to provide retirement and death benefits. Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP in lieu of the Senior Management Service Class. Employers were required to contribute 12.49% of covered payroll from July 2010 through June 2011. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability (UAL). There was no UAL payment required for fiscal year 2010-11. The employers' contributions were paid to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the employer. Additional information pertaining to the SMSOAP is as follows:

Members	39	
Payroll	\$ 4,307,527	
Contributions:		
Employee	\$ 11,500	0.27% of payroll
Employer	\$ 566,937	13.16% of payroll

#### B. Other Postemployment Benefits (OPEB)

The following is based on the July 1, 2010 update to the July 1, 2009 actuarial valuation of the State Employees' Health Insurance Program.

##### Plan Description

The state implicitly subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same group health plan offered to active employees. Although retirees pay 100% of the premium amount, the premium cost to the retiree is implicitly subsidized due to increasing health care costs with age and the commingling of the claims experience in a single risk pool with a single premium determination for active employees and retirees under age 65. Section 110.123, F.S., authorizes the offering of health insurance benefits to retired state and university employees. Section 112.0801, F.S., requires all public employers that offer benefits through a group insurance plan to allow their retirees to continue participation in the plan. The

law also requires the claims experience of the retirees under 65 group to be combined with the claims experience of active employees for premium determination and the premium offered to retired employees to be no more than the premium applicable to active employees. Retirees under age 65 pay the same premium amounts as applicable to active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because the plan is secondary payer to Medicare Parts A and B. The State Employees' Group Health Insurance Program (Program) operates as a cost-sharing multiple-employer defined benefit health plan; however, current administration of the Program is not through a formal trust and therefore disclosure requirements are those applicable to an agency multiple-employer plan. The Division of State Group Insurance within the Department of Management Services is designated by Section 110.123, F.S., to be responsible for all aspects of the purchase of healthcare for state and university employees and retirees under the Program.

There are eighteen participating employers including the primary government of the state, the eleven state universities, and other governmental entities. There was an average enrollment of 177,109 contracts including 35,823 retirees and 141,286 employees and COBRA participants for fiscal year 2010-11. Employees must make an election to participate in the plan within 31 days of the effective date of their retirement to be eligible to continue in the plan as a retiree. Four types of health plans are offered to eligible participants: a standard statewide Preferred Provider Organization (PPO) Plan, a Health Investor PPO Plan, a standard Health Maintenance Organization (HMO) Plan, and a Health Investor HMO Plan. HMO coverage is available only to those retirees who live or work in the HMO's service area. The four PPO and HMO options are considered managed-care plans and have specific provider networks.

The asset and liability balances relating to retiree participation in the state group health insurance program are reported in an Agency Fund on the accrual basis of accounting. Premium payments from retirees are recognized as revenue in the period in which the payments are due. Costs for providing benefits, which include premiums and direct healthcare services, are recognized as an expense when incurred.

#### Funding Policy

Benefit provisions are described by Section 110.123, F.S., and along with contributions, can be amended by the Florida Legislature. The state has not advance-funded OPEB costs or the net OPEB obligation. The Self-Insurance Estimating Conference develops official information for determining the budget levels needed for the state's planning and budgeting process. The Governor's recommended budget and the General Appropriations Act provide for a premium level necessary for funding the program each year on a pay-as-you-go basis. Monthly premiums, through June 2011 coverage, for active employees and retirees under the age of 65 for the standard plan were \$549.80 and \$1,243.34 for single and family contracts, respectively. Retirees over the age of 65 pay premiums for a Medicare supplement. Monthly premiums, through June 2011 coverage, for the standard Preferred Provider Organization Plan were \$305.82 for a single contract, \$611.64 for two Medicare eligible members, and \$881.80 when only one member is Medicare eligible. The following schedules regarding OPEB cost, net OPEB obligation and OPEB funded status disclose only the State of Florida's share of the OPEB. Refer to Other Required Supplementary Information for information on the OPEB plan as a whole.

#### Actuarially-Determined Annual OPEB Cost and Net OPEB Obligation as of June 30, 2011 (dollars in thousands):

Annual required contribution (ARC)	\$ 237,028
Interest on the net OPEB obligation	12,790
Adjustments to the ARC	(10,658)
Annual OPEB Cost	<u>239,160</u>
Employer contribution	<u>(81,580)</u>
Increase/Decrease in net OPEB obligation	157,580
Net OPEB obligation - July 1, 2010	<u>319,750</u>
Net OPEB obligation - June 30, 2011	<u>\$ 477,330</u>

Percent of annual OPEB cost contributed	34.11%
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Funded Status

The funded status of the plan as of June 30, 2011, was as follows (dollars in thousands):

Actuarial valuation date	July 1, 2010
Actuarial accrued liability (AAL)	\$ 3,510,526
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 3,510,526</u></u>
Actuarial value of assets as a percentage of the AAL	0.00%
Covered payroll	\$ 4,606,592
UAAL as a percentage of covered payroll	76.21%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, immediately following the notes to the financial statements, presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The entry age actuarial cost method was used for the actuarial valuation as of July 1, 2009. This method allocates the value of a member's benefit as a level percentage of pay between entry age and retirement age. Allocating costs as a level percentage of pay, even though the benefits are not pay-related, helps with budgeting for these employee benefits costs as a percentage of payroll. Actuarial assumptions included a 3% inflation rate, a 4% return on invested assets, and a 4% payroll growth rate. Initial healthcare cost trend rates used for the Preferred Provider Organization (PPO) Plans are 9.02%, 9.47%, and 9.62% for the first three years followed by 6.60% in the fourth year grading to 5.10% over the course of 70 years. For the Health Maintenance Organization (HMO) Plans, initial healthcare cost trend rates of 7.11%, 10.50% and 10.50% for the first three years followed by 6.60% in the fourth year and grading to 5.10% over the course of 70 years. The unfunded actuarial accrued liability is being amortized as a level percentage of pay - on an open basis, over a 30 year period.

## NOTE 7 - COMMITMENTS AND OPERATING LEASES

### A. Construction Commitments

Road and bridge construction projects, supervised by the Department of Transportation, are included in the Department of Transportation work program, which is updated during each budget cycle. As of June 30, 2011, the Department had available approximately \$6.1 billion in budget authority committed on executed contracts arising from both current and prior year projects. Other major construction commitments of the State of Florida at June 30, 2011, totaled \$396 million. Refer to Note 5 for additional disclosures relating to construction in progress. Construction commitments for component units totaled \$4.1 billion.

### B. Florida Ports Financing Commission Revenue Bonds

The state has enacted legislation obligating it to remit annually \$25 million to a designated trustee for the purpose of repaying the debt on certain Florida Ports Financing Commission revenue bonds. The Florida Ports Financing Commission is not part of the state's reporting entity. These revenue bonds do not create or constitute a legal obligation or debt of the state. Funding for the annual remittance comes from the State of Florida, Department of Transportation's portion of motor vehicle registration fees, which was \$463,117,970 for the fiscal year ended June 30, 2011. The table below represents the Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2011. The bonds noted below were issued in May 2011 with proceeds used to defease the Commission's Series 1996 and Series 1999 bonds:

Series	Amount
2011A	\$ 10,650,000
2011B	141,670,000
2011A (Intermodal)	66,300,000
2011B (Intermodal)	49,325,000
<b>Total</b>	<b>\$ 267,945,000</b>

### C. Operating Leases

Operating leases are not recorded on the balance sheets or statements of net assets; however, operating lease payments are recorded as expenditures/expenses when incurred. Total operating lease payments for the state's governmental activities, business-type activities, and component units were \$130 million, \$9.4 million, and \$50.5 million, respectively, for the year ended June 30, 2011. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2011 (in thousands):

	Primary Government		
	Governmental Activities	Business-type Activities	Component Units
2012	\$ 144,736	\$ 9,427	\$ 61,205
2013	127,468	8,981	43,987
2014	117,992	8,125	30,332
2015	110,128	7,835	20,646
2016	101,209	7,224	14,519
2017-2021	245,007	24,217	41,123
2022-2026	20,942	11,765	18,201
2027-2031	1,605	11,765	9,985
2032-2036	836	11,765	2,387
2037-2041	843	11,765	1,798
2042-2046			1,798
2047-2051			1,501
2052-2056			668
<b>Total</b>	<b>\$ 870,766</b>	<b>\$ 112,869</b>	<b>\$ 248,150</b>

**D. Encumbrances**

As of June 30, 2011, encumbrances for major and nonmajor governmental funds were (in thousands):

	Environment,		Health and			Nonmajor	
	General	Recreation and Conservation	Public Education	Family Services	Transportation	Governmental Funds	Total
<b>Encumbrances:</b>	68,686	2,156	79,889	57,244	32,558	304,048	544,581

## NOTE 8 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

### A. Bonds Payable

#### 1. Outstanding Bonds

Bonds payable at June 30, 2011, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
<b>Governmental Activities:</b>				
Road and Bridge Bonds	\$ 2,300,275	\$ 1,965,605	3.375%-6.375%	2039
SBE Capital Outlay Bonds	874,445	621,235	3.000%-5.375%	2030
Lottery Education Bonds	3,389,170	2,903,893	3.000%-6.584%	2029
Public Education Bonds	15,109,217	11,479,785	2.000%-9.125%	2040
State University System Bonds	318,870	214,515	3.700%-6.500%	2033
University Auxiliary Bonds	976,575	761,336	2.000%-7.500%	2040
Inland Protection Bonds	96,730	90,105	4.260%-5.400%	2024
Save Our Coast Bonds	74,575	4,785	3.250%-3.250%	2012
Preservation 2000 Bonds	587,855	135,650	5.500%-6.000%	2013
Florida Forever Bonds	2,751,505	1,917,055	2.500%-7.045%	2029
Water Pollution Control Bonds	614,775	527,280	2.200%-5.500%	2031
Florida Facilities Pool Bonds	479,060	374,450	3.500%-5.750%	2039
State Infrastructure Bank Bonds	123,615	91,775	4.250%-5.000%	2027
Everglades Restoration Bonds	242,105	214,590	0.120%-6.450%	2029
	<u>27,938,772</u>	<u>21,302,059</u>		
Unamortized premiums (discounts) on bonds payable	.....	662,281		
Less amount deferred on refunding	.....	(144,829)		
<b>Total Bonds Payable</b>	<b>\$ 27,938,772</b>	<b>\$ 21,819,511</b>		
 <b>Business-type Activities:</b>				
Toll Facilities Bonds	\$ 3,521,135	\$ 2,849,225	3.000%-6.800%	2040
Florida Hurricane Catastrophe Fund Bonds	6,150,945	5,380,375	0.96705%-5.250%	2017
	<u>9,672,080</u>	<u>8,229,600</u>		
Unamortized premiums (discounts) on bonds payable	.....	96,158		
Less amount deferred on refunding	.....	(34,417)		
<b>Total Bonds Payable</b>	<b>\$ 9,672,080</b>	<b>\$ 8,291,341</b>		

## 2. Types of Bonds

**Road and Bridge (serial and term) Bonds** are secured by a pledge of a portion of the state-assessed motor fuel tax revenues, discretionary sales tax levied by the City of Jacksonville, and by a pledge of the full faith and credit of the state.

**State Board of Education (SBE) Capital Outlay Bonds** are issued to finance capital outlay projects of school districts and community colleges. The bonds, serial and term, are secured by a pledge of a portion of the state-assessed motor vehicle license tax and by a pledge of the full faith and credit of the state.

**Lottery Education Bonds** are issued to finance all or a portion of the costs of various local school district educational facilities. The bonds, serial and term, are secured by a pledge of a portion of the lottery revenues transferred to the Educational Enhancement Trust Fund.

**Public Education Bonds** are issued to finance capital outlay projects of local school districts, community colleges, vocational technical schools, and state universities. The bonds, serial and term, are secured by a pledge of the state's gross receipts tax revenues and by a pledge of the full faith and credit of the state.

**State University System Bonds** are issued to construct university student life facilities. The bonds, serial and term, are secured by a system pledge of Capital Improvement Fee and net Student Building Fee revenues.

**University Auxiliary Bonds** are issued to construct university facilities, including parking and housing. The bonds, serial and term, are secured by university pledges of certain housing system revenues, parking system revenues, and student fee assessments.

**Save Our Coast Bonds** are used to finance the purchase of environmentally significant coastal property. The bonds mature serially and are secured by a pledge of State Land Acquisition Trust Fund collections (primarily documentary stamp taxes).

**Preservation 2000 Bonds** are issued to pay the cost of acquiring lands and related resources in furtherance of outdoor recreation and natural resources conservation. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

**Florida Forever Bonds** are issued to finance the cost of acquisition and improvements of lands, water areas, and related property interests and resources in the State of Florida for the purposes of restoration, conservation, recreation, water resource development, or historical preservation. The bonds, serial and term, are secured by a pledge of a portion of the documentary stamp tax.

**Water Pollution Control Bonds** are issued by the Water Pollution Control Financing Corporation (a blended component unit) to fund loans to local governments to finance or refinance the cost of wastewater treatment and storm water management projects. The bonds mature serially and are secured by a pledge of the loan payments from local governments.

**Inland Protection Bonds** are issued by the Inland Protection Financing Corporation (a blended component unit) for the purpose of financing the rehabilitation of petroleum contaminated sites. The bonds mature serially and are secured by a pledge of moneys derived from a wholesale excise tax primarily on petroleum products.

**State Infrastructure Bank Bonds** are issued primarily to finance loans made for the purpose of financing qualified transportation projects. The bonds mature serially and are secured by a pledge of repayments on pledged loans and moneys and investments held in reserve accounts.

**Florida Facilities Pool Bonds** are issued to provide funds for the acquisition and construction of facilities to be leased to state agencies. The bonds, serial and term, are secured by a pledge of the revenues derived from the leasing and operations of these facilities.

**Everglades Restoration Bonds** are revenue bonds issued to finance or refinance the costs of acquisition and improvement of lands, water areas, and related property interests and resources for the purpose of implementing the Comprehensive Everglades Restoration Plan. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

**Toll Facilities Bonds** are issued to provide construction funds for roads and bridges. Toll bonds, serial and term, are secured by a pledge of toll facility revenues.

**Florida Hurricane Catastrophe Fund Bonds** are issued by the Florida Hurricane Catastrophe Fund Finance Corporation to make payments to participating insurers for losses resulting from covered events (hurricanes). The bonds mature serially and are secured by emergency assessments and reimbursement premiums. Pre-event notes are also issued to provide a source of funds to reimburse participating insurers for losses relating to future covered events and are secured by reimbursement premiums.

### 3. Pledged Revenues (in thousands):

The table below contains information regarding revenues pledged to repay debt obligations. For each Bond Type, the table discloses Gross Revenue, Operating Expenses, Net Revenue Available for Debt Service, Principal, Interest, Coverage Ratio, Final Maturity, Remaining Debt Service, and Revenue Ratio. The Bond Types with Operating Expenses are considered self-supporting debt and are paid from the associated facilities being financed. If Operating Expenses are not shown, the bond type is considered to be Net Tax Supported debt and serviced by dedicated tax or fee revenues.

Bond Type	Revenue <sup>3</sup>	Less Operating Expenses	Net Available for Debt Service	Principal	Interest <sup>6</sup>	Total Debt Service	Coverage Ratio	Final Maturity	Remaining Debt Service	Revenue Ratio <sup>5</sup>
Florida Turnpike (Toll Facility)	611,946	180,060	431,886	99,000	144,061	243,061	1.78	2039/2040	4,602,379	70.58%
Save Our Coast <sup>1</sup>	83,150	.....	83,150	5,985	455	6,440	12.91	2011/2012	4,941	100.00%
Florida Forever/P2000/Everglades <sup>1</sup>	669,440	.....	669,440	308,085	125,948	434,033	1.54	2028/2029	3,066,494	100.00%
Lottery Education <sup>1,2</sup>	1,184,000	.....	1,184,000	168,607	146,329	314,936	3.76	2028/2029	4,015,491	100.00%
Alligator Alley (Toll Facility)	19,737	7,059	12,678	1,525	1,923	3,448	3.68	2026/2027	55,190	64.23%
State Infrastructure Bank	56,698	.....	56,698	8,265	4,962	13,227	4.29	2026/2027	116,090	100.00%
Florida Hurricane Catastrophe	1,714,728	15,644	1,699,084	269,485	122,919	392,404	4.33	2015/2016	5,718,346	99.09%
State University System Bonds	37,798	.....	37,798	16,240	11,306	27,546	1.37	2032/2033	320,319	100.00%
University Auxiliary Bonds <sup>7</sup>										
Parking System Revenue Bonds										
Florida International University	10,009	3,212	6,797	2,230	2,165	4,395	1.55	2038/2039	98,650	67.91%
University of South Florida	12,544	7,277	5,267	1,990	1,570	3,560	1.48	2025/2026	48,430	41.99%
Florida Agricultural & Mechanical University	2,628	1,338	1,290	155	77	232	5.62	2017/2018	1,625	49.10%
University of Florida	12,276	7,388	4,888	1,905	1,225	3,130	1.56	2027/2028	37,706	39.82%
Florida Atlantic University	5,708	2,233	3,475	750	508	1,258	2.76	2022/2023	15,186	60.88%
University of Central Florida	16,181	3,379	12,801	2,335	1,567	3,902	3.28	2028/2029	59,958	79.12%
Florida State University	9,857	2,145	7,712	2,605	1,901	4,506	1.71	2025/2026	56,981	78.24%
Housing System Revenue Bonds										
Florida International University	23,518	12,418	11,099	3,430	3,694	7,124	1.56	2033/2034	113,376	47.20%
University of Florida	44,885	27,209	17,676	2,235	2,625	4,860	3.64	2029/2030	78,067	39.38%
Florida Atlantic University	14,802	6,119	8,683	2,405	3,357	5,762	1.51	2035/2036	119,197	58.66%
University of Central Florida	22,872	11,509	11,363	2,740	3,766	6,506	1.75	2030/2031	116,773	49.68%
Florida State University	32,671	16,925	15,745	3,215	5,628	8,843	1.78	2034/2035	193,748	48.19%
Student Health and Wellness Center Revenue Bonds										
University of Central Florida	10,856	.....	10,856	320	299	619	17.55	2023/2024	8,646	100.00%
Florida State University <sup>4</sup>	8,734	.....	8,734	.....	.....	3,67	2029/2030	47,515	100.00%	
Bookstore Revenue Bonds										
University of Central Florida	1,978	434	1,543	195	95	290	5.31	2016/2017	2,052	78.03%
Student Services Center Revenue Bonds										
Florida Agricultural & Mechanical University	2,603	1,396	1,207	365	159	524	2.29	2016/2017	3,680	46.37%
Water Pollution Control Bonds	96,063	.....	96,063	21,285	19,019	40,304	2.38	2030/2031	758,792	100.00%
Inland Protection Bonds	211,533	.....	211,533	5,080	4,695	9,775	21.64	2023/2024	123,818	100.00%

<sup>1</sup> Operating Expenses are not listed for the Lottery Program and the Environmental Programs e.g. Save Our Coast and Florida Forever/Preservation 2000/Everglades Restoration Programs.

For these programs, either no operating expenses reduce revenues available for debt service, or, in the case of the Lottery, include expenses unrelated to the operation of the program, such as payment of lottery prizes. Instead, for these programs, the revenue shown is the amount available to pay debt service.

<sup>2</sup> Source Department of Lottery, Audited Financial Statements.

<sup>3</sup> Refer to Note 8A.2. for information on the sources of pledged revenues.

<sup>4</sup> Coverage shown based on maximum annual debt service of \$2,382,950 for illustrative purposes.

<sup>5</sup> Revenue Ratio is calculated as Net Available for Debt Service divided by Revenue.

<sup>6</sup>Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

<sup>7</sup>Financial information is based upon fiscal year 2009-2010 data.

#### **4. State Debt Limitations**

Section 215.98, F.S., establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the legislature determines it is necessary to address a critical state emergency. During the fiscal year 2010-11, the ratio exceeded 7%, primarily because of the reduction in tax revenues. Chapter 2010-153, Section 61, Laws of Florida, provided the legislature's determination that the authorization and issuance of debt for the 2010-11 fiscal year was in the best interest of the state and necessary to address a critical state emergency.

## **5. Debt Service Requirements**

Annual debt service requirements to amortize bonds at June 30, 2011, are as follows (in thousands):

Year Ending June 30	Primary Government					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 1,182,499	\$ 1,042,024	\$ 2,224,523	\$ 387,710	\$ 261,126	\$ 648,836
2013	1,284,021	984,388	2,268,409	3,906,900	217,058	4,123,958
2014	1,048,291	920,232	1,968,523	415,455	186,911	602,366
2015	1,070,379	868,930	1,939,309	443,985	166,356	610,341
2016	1,110,404	816,281	1,926,685	467,465	144,268	611,733
2017-2021	5,709,411	3,259,386	8,968,797	1,020,845	508,172	1,529,017
2022-2026	4,888,299	1,909,440	6,797,739	602,495	339,764	942,259
2027-2031	2,765,805	941,497	3,707,302	456,660	204,842	661,502
2032-2036	1,732,600	371,986	2,104,586	404,920	95,111	500,031
2037-2041	510,350	49,152	559,502	123,165	15,164	138,329
Bonds Payable and Interest	21,302,059	11,163,316	32,465,375	8,229,600	2,138,772	10,368,372
Unamortized premiums (discounts)	662,281	.....	662,281	96,158	.....	96,158
Less amount deferred or refunded	(144,829)	.....	(144,829)	(34,417)	.....	(34,417)
Total bonds payable and interest	<u>\$ 21,819,511</u>	<u>\$ 11,163,316</u>	<u>\$ 32,982,827</u>	<u>\$ 8,291,341</u>	<u>\$ 2,138,772</u>	<u>\$ 10,430,113</u>
Year Ending June 30	Component Units					
	Principal	Interest	Total			
	\$ 1,655,134	\$ 395,646	\$ 2,050,780			
2012	387,986	374,709	762,695			
2013	841,191	355,069	1,196,260			
2014	549,732	330,978	880,710			
2015	710,234	300,543	1,010,777			
2016	1,661,202	1,058,910	2,720,112			
2017-2021	1,923,297	717,583	2,640,880			
2022-2026	1,071,578	495,448	1,567,026			
2027-2031	1,139,332	263,410	1,402,742			
2032-2036	697,450	78,401	775,851			
2037-2041	153,079	10,008	163,087			
2042-2046	29,776	566	30,342			
Bonds payable and interest	10,819,991	4,381,271	15,201,262			
Unamortized premiums (discounts)	136,837	.....	136,837			
Less amount deferred or refunded	(909)	.....	(909)			
Total bonds payable and interest	<u>\$ 10,955,919</u>	<u>\$ 4,381,271</u>	<u>\$ 15,337,190</u>			

Annual debt service requirements for university capital improvement debt payable at June 30, 2011, are as follows (in thousands):

Year Ending June 30	Universities		
	Principal	Interest	Total
2012	35,631	35,096	70,727
2013	37,445	33,964	71,409
2014	39,000	32,393	71,393
2015	39,109	30,726	69,835
2016	40,807	29,011	69,818
2017-2021	197,130	118,240	315,370
2022-2026	177,515	73,061	250,576
2027-2031	133,184	33,856	167,040
2032-2036	47,506	9,721	57,227
2037-2041	9,661	1,233	10,894
Total capital improvement debt payable and interest	<u>\$ 756,988</u>	<u>\$ 397,301</u>	<u>\$ 1,154,289</u>

## **6. Advance Refundings and Current Refundings**

During the fiscal year ended June 30, 2011, the state took advantage of favorable conditions and issued bonds for the purpose of refunding previously issued bonds. The refundings of these bond series were made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bonds. The economic gains obtained by these refundings are the differences between the present value of old debt service and new debt service requirements.

The proceeds of the current refundings are used to call the refunded bonds within 90 days of issuance of the refunding bonds. The proceeds of the advance refundings are deposited into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they become due.

Bonds legally defeased through the consummation of refunding transactions are not included in Florida's outstanding debt. Irrevocable escrow accounts held by the State Board of Administration to service the refunded bonds are reported as agency funds. The following refundings occurred during the fiscal year.

### **Advance Refundings**

#### **Governmental Activities**

State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series 2010E in the amount of \$223,425,000 along with additional funds of \$3,223,300 were used to advance refund \$115,805,000 of the State of Florida State Board of Education Lottery Revenue Bonds, Series 2001A maturing in the years 2012 through 2020 and \$129,040,000 of the State of Florida, State Board of Education Lottery Revenue Bonds, Series 2001B maturing in the years 2012 through 2020. The refunding resulted in debt savings of \$34,582,878, an economic gain of \$30,719,277, and a deferred loss on refunding of \$1,684,556.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2010 Series A in the amount of \$179,870,000 were used to advance refund \$133,700,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 1999 Series E maturing in the years 2012 through 2030 and \$61,480,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2001 Series C maturing in the years 2012 through 2031. The refunding resulted in debt savings of \$34,033,735, an economic gain of \$24,570,111, and a deferred loss on refunding of \$2,643,930.

State of Florida, Board of Governors Florida State University Parking Facility Revenue Bonds, Series 2011A in the amount of \$22,145,000, in part, along with additional funds of \$28,088 were used to advance refund \$6,775,000 of the State of Florida, Board of Governors Florida State University Parking Facility Revenue Bonds, Series 2001 maturing in the years 2012 through 2022. The refunding resulted in debt savings of \$535,937, an economic gain of \$452,013, and a deferred loss on refunding of \$67,750.

### **Current Refundings**

#### **Governmental Activities**

State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2010 Series A in the amount of \$53,405,000, in part, along with additional funds of \$101,404 were used to refund \$8,285,000 of the State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2001 Series A maturing in the years 2012 through 2021. The refunding resulted in debt savings of \$1,254,959, an economic gain of \$1,105,450, and a deferred loss on refunding of \$82,850.

State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series 2010D in the amount of \$109,750,000 along with additional funds of \$3,245,554 were used to refund \$126,080,000 of the State of Florida, State Board of Education Lottery Revenue Bonds, Series 1998C maturing in the years 2011 through 2018. The refunding resulted in debt savings of \$16,925,986, an economic gain of \$15,555,578, and a gain on refunding of \$6. This gain was expensed in the current fiscal year.

State of Florida, Board of Governors, State University System Improvement Revenue Refunding Bonds, Series 2011A in the amount of \$38,930,000 were used to refund \$23,775,000 of the State of Florida Board of Regents, University System Improvement revenue Refunding Bonds, Series 1997A maturing in the years 2012 through 2016 and \$18,805,000 of State of

Florida, Board of Regents, University System Improvement Revenue Bonds, Series 1998 maturing in the years 2012 through 2019. The refunding resulted in debt savings of \$4,567,802, an economic gain of \$4,191,773, and a loss on refunding of \$94. This loss was expensed in the current fiscal year.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2011 Series A in the amount of \$336,750,000 along with additional funds of \$4,664,922 were used to refund \$137,400,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2001 Series A maturing in the years 2012 through 2021 and \$223,085,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2001 Series B. The refunding resulted in debt savings of \$40,302,471, an economic gain of \$33,548,551, and a deferred loss on refunding of \$3,604,850.

### **Business-type Activities**

There were no refundings for business-type activities.

### **7. Prior-year Defeased Bonds**

In prior years, the state has deposited with escrow agents in irrevocable trusts amounts sufficient to meet the debt service requirements of certain bonds. These defeased bonds are not reported as outstanding debt. Irrevocable trusts established with the State Board of Administration are reported in an agency fund. Debt considered defeased consists of the following (in thousands):

	Principal at 6/30/2011
<b><u>Governmental Activities</u></b>	
University Auxillary Bonds	\$ 1,839
Public Education Capital Outlay Bonds	<u>7,515</u>
Total	<u>\$ 9,354</u>
<b><u>Business-type Activities</u></b>	
Toll Facilities	<u>\$ 77,900</u>

### **8. Arbitrage Regulations**

The state complies with federal arbitrage regulations.

## 9. Direct Interest

The state's bonds are issued for the creation or continuing existence of various programs. Interest is reported in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

Governmental Activities	Interest
Education:	
SBE Capital Outlay Bonds	\$ 26,839
Lottery Education Bonds	135,264
Public Education Bonds	527,855
State University System Bonds	11,167
University Auxiliary Bonds	<u>35,258</u>
Total Education	<u>736,383</u>
Natural Resources and Environment:	
Inland Protection Bonds	3,560
Conservation and Recreation Lands Bonds	305
Everglades Restoration Bonds	6,180
Water Pollution Control Bonds	19,433
Save Our Coast Bonds	536
Florida Forever Bonds	88,064
Preservation 2000 Bonds	<u>11,458</u>
Total Natural Resources and Environment	<u>129,536</u>
Transportation:	
Road and Bridge Bonds (Right of Way)	86,969
State Infrastructure Bonds	<u>4,218</u>
Total Transportation	<u>91,187</u>
Total Direct Interest	<u><u>\$ 957,106</u></u>

## 10. Governmental Activities – Unrestricted Net Asset Deficit

Governmental activities reflect a negative unrestricted net asset balance of \$15.1 billion at June 30, 2011. This deficit is primarily the result of education-related bonds in which the state is responsible for the debt, but the state colleges, state universities, or the local school districts own the capital assets. Because the state does not own these capital assets, the bonded debt is not netted on the line item "Invested in capital assets, net of related debt." Instead, this bonded debt is netted with unrestricted net assets. Education-related bonds include SBE Capital Outlay Bonds; PECO Bonds; State University System Improvement Bonds; and Lottery Education Bonds; which have a total ending balance at June 30, 2011, of \$15.0 billion. The state has an additional \$1.6 billion in bonded debt in which the state does not own the related capital assets, including some Road and Bridge Bonds, and Preservation 2000/Florida Forever Bonds. The resources related to the payment of this debt will be provided from future revenue sources. If these bonds were removed, the adjusted unrestricted net assets for governmental activities would be \$1.2 billion.

## B. Certificates of Participation (Primary Government Only)

The state has issued certificates of participation (original amount of \$945,800,000) to finance privately operated detention and mental health facilities. The certificates of participation's interest rates range from 2.000% - 6.825% and the last maturity is during the fiscal year ending August 1, 2029. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2011 (in thousands):

Year Ending June 30	Principal	Interest	Total
2012	\$ 39,575	\$ 40,944	\$ 80,519
2013	41,395	39,116	80,511
2014	43,450	37,039	80,489
2015	44,585	34,892	79,477
2016	44,005	32,732	76,737
2017-2021	201,905	133,081	334,986
2022-2026	233,600	78,221	311,821
2027-2031	146,335	17,718	164,053
Total	794,850	413,743	1,208,593
Unamortized premiums (discounts)	11,255	.....	11,255
Amount deferred upon refunding	708	.....	708
<b>Total certificates of participation payable</b>	<b>\$ 806,813</b>	<b>\$ 413,743</b>	<b>\$ 1,220,556</b>

Component units (universities and a water management district) have issued certificates of participation (original amount of \$1,219,570,000) primarily to finance academic and student facilities and construction projects for Everglades restoration. The certificates of participation's interest rates range from 2.550% to 6.000% and the last maturity is during the fiscal year ending July 1, 2040. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2011 (in thousands):

Year Ending June 30	Principal	Interest	Total
2012	\$ 23,935	\$ 52,918	\$ 76,853
2013	24,860	51,914	76,774
2014	26,340	50,862	77,202
2015	27,500	49,732	77,232
2016	28,710	48,484	77,194
2017-2021	164,675	221,202	385,877
2022-2026	203,475	178,832	382,307
2027-2031	253,430	126,261	379,691
2032-2036	314,925	59,712	374,637
2037-2041	89,060	4,688	93,748
Total	1,156,910	844,605	2,001,515
Unamortized premiums (discounts)	25,720	.....	25,720
Amount deferred upon refunding	.....	.....	.....
<b>Total certificates of participation payable</b>	<b>\$ 1,182,630</b>	<b>\$ 844,605</b>	<b>\$ 2,027,235</b>

**NOTE 9 - INSTALLMENT PURCHASES, CAPITAL LEASES AND ADVANCES FROM FEDERAL GOVERNMENT**

**A. Installment Purchases**

The state has a number of installment purchase contracts providing for the acquisition of buildings, furniture, and equipment. At June 30, 2011, 81% of the state's installment purchase contracts for governmental activities were for furniture and equipment, and the remaining 19% for buildings. Installment purchase contracts for component units consisted of 100% of furniture and equipment. The following is a schedule of future minimum installment purchase contract payments for the primary government and component units at June 30, 2011 (in thousands):

Year Ending June 30	Primary Government	
	Government Activities	Component Units
2012	\$ 4,186	\$ 2,767
2013	2,642	1,045
2014	1,697	582
2015	1,300	242
2016	1,183	160
2017-2021	4,606	101
2022-2026	1,091	.....
Total	16,705	4,897
Less: Interest	(2,447)	(194)
Present value of future minimum payments	\$ 14,258	\$ 4,703

**B. Capital Leases**

The state has a number of capital leases providing for the acquisition of land, buildings, and furniture and equipment. At June 30, 2011, 63% of the state's capital leases for governmental activities were for buildings, and the remaining 37% for furniture and equipment. Capital leases for component units consisted of 51% for furniture and equipment, 40% for building, and the remaining 9% for land. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2011 (in thousands):

Year Ending June 30	Primary Government	
	Governmental Activities	Component Units
2012	\$ 8,913	\$ 11,002
2013	8,591	7,633
2014	8,067	4,741
2015	5,981	5,046
2016	7,879	2,612
2017-2021	3,580	9,584
2022-2026	2,580	6,775
2027-2031	207	3,740
Total	45,798	51,133
Less: Interest	(7,306)	(11,705)
Present value of future minimum payments	\$ 38,492	\$ 39,428

**C. Advances from Federal Government**

Continuing high levels of unemployment benefit claims payments resulted in the depletion of available fund balances in the State of Florida account in the Unemployment Compensation Trust Fund during August 2009. Section 1201 of the Social Security Act provides for Title XII advances from the Federal Unemployment Fund to those states whose trust funds are depleted to ensure the continuation of benefit payments to eligible claimants. Advances are repayable from future employer contributions. Interest accruing on outstanding balances is payable each September 30. Interest cannot be paid from state unemployment compensation fees. The American Recovery and Reinvestment Act of 2009 temporarily suspended interest on these advances through December 31, 2010. Borrowing is expected to be necessary through state fiscal year 2012-13. As of June 30, 2011 there is a \$1.574 billion advance balance to the state for payment of unemployment compensation benefits.

The Florida Office of Economic and Demographic Research forecasted the following based on current Florida law (in thousands):

## Federal Advance Balances at 6/30

2011	\$ 1,574,100
2012	\$ 844,200 (Estimate)
2013	\$ 0 (Estimate)

## Interest Payable on 9/30

2011	\$ 57,700
2012	\$ 63,100 (Estimate)
2013	\$ 19,800 (Estimate)

## NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2011, are as follows (in thousands):

	Balance 7/1/2010	Additions	Deletions	Balance 6/30/2011	One Year (Current)
<b>Governmental Activities</b>					
Road and Bridge Bonds	\$ 1,909,440	\$ 114,500	\$ 58,335	\$ 1,965,605	\$ 73,470
SBE Capital Outlay Bonds	642,660	53,405	74,830	621,235	69,920
Lottery Education Bonds	2,940,420	503,005	539,532	2,903,893	176,845
Public Education Bonds	11,230,384	1,211,665	962,264	11,479,785	419,935
State University System Bonds	234,435	38,930	58,850	214,515	16,495
University Auxiliary Bonds	682,382	117,848	38,894	761,336	36,059
Inland Protection Bonds	95,185	.....	5,080	90,105	5,335
Conservation and Recreation					
Lands Bonds	5,670	.....	5,670	.....	.....
Save Our Coast Bonds	10,770	.....	5,985	4,785	4,785
Preservation 2000 Bonds	197,875	.....	62,225	135,650	65,765
Florida Forever Bonds	2,153,210	.....	236,155	1,917,055	246,775
Water Pollution Control Bonds	323,565	225,000	21,285	527,280	25,405
State Infrastructure Bank Bonds	100,040	.....	8,265	91,775	11,200
Everglades Restoration Bonds	224,295	.....	9,705	214,590	10,085
Florida Facilities Pool Bonds	394,000	.....	19,550	374,450	20,425
	21,144,331	2,264,353	2,106,625	21,302,059	1,182,499
Unamortized bond premiums (discounts)	557,278	238,685	133,682	662,281	.....
Amounts deferred on refunding	(151,060)	(8,084)	(14,315)	(144,829)	.....
<b>Total bonds payable</b>	<b>21,550,549</b>	<b>2,494,954</b>	<b>2,225,992</b>	<b>21,819,511</b>	<b>1,182,499</b>
Certificates of participation payable	845,519	.....	38,706	806,813	39,575
Deposits	657,189	816,214	843,653	629,750	553,228
Compensated absences	861,176	248,627	290,420	819,383	220,542
Claims payable	2,582,393	1,495,770	289,440	3,788,723	1,787,149
Installment purchases/capital leases	70,087	3,222	20,559	52,750	10,821
Due to other governments:					
Federal arbitration liability	207	.....	207	.....	.....
Other liabilities	441,016	154,974	8,836	587,154	.....
<b>Total Governmental Activities</b>	<b>\$ 27,008,136</b>	<b>\$ 5,213,761</b>	<b>\$ 3,717,813</b>	<b>\$ 28,504,084</b>	<b>\$ 3,793,814</b>

Long-term liabilities for governmental activities are generally liquidated by the applicable governmental funds and/or internal service funds. Specifically, the special revenue funds, capital projects funds, and/or internal service funds will liquidate the certificates of participation payable, installment purchase contracts, and capital lease obligations. The applicable special revenue funds and internal service funds will reduce deposits when such monies are earned. The governmental and internal services funds that account for employees' salaries and wages will liquidate the compensated absences liabilities. The General Fund, Health and Family Services Fund, and the non-major special revenue fund will generally liquidate claims payable. The applicable special revenue funds and internal service funds, as well as the debt service fund, will liquidate obligations to other governments. The nonmajor special revenue funds will generally liquidate other liabilities. The other liabilities reported above include \$449 million for Other Postemployment Benefits (OPEB) related to all governmental funds. The state does not currently fund the OPEB liability so it is non-liquidating. Refer to Note 6 for additional information on OPEB.

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Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2011, are as follows (in thousands):

	Balance 7/1/2010	Additions	Deletions	Balance 6/30/2011	Due Within One Year (Current)
<b>Business-type Activities</b>					
Bonds payable:					
Toll Facility Bonds	\$ 2,949,750	\$ .....	\$ 100,525	\$ 2,849,225	\$ 105,050
Florida Hurricane Catastrophe Fund					
Bonds	<u>5,649,860</u>	.....	269,485	5,380,375	282,660
	<u>8,599,610</u>	.....	370,010	8,229,600	387,710
Unamortized bond premiums (discounts)	126,729	.....	30,571	96,158	.....
Amounts deferred on refunding	(41,101)	.....	(6,684)	(34,417)	.....
Total bonds payable	<u>8,685,238</u>	.....	393,897	8,291,341	387,710
Accrued prize liability	863,190	2,139,511	2,253,328	749,373	239,860
Deposits	40,189	1,387	6,879	34,697	2,264
Compensated absences	21,460	9,804	10,765	20,499	4,937
Tuition and housing benefits payable	9,516,425	766,528	390,913	9,892,040	644,371
Advances from Federal Government	1,612,500	819,100	857,500	1,574,100	729,900
Other liabilities	11,177	3,375	1,037	13,515	.....
<b>Total Business-type Activities</b>	<b><u>\$ 20,750,179</u></b>	<b><u>\$ 3,739,705</u></b>	<b><u>\$ 3,914,319</u></b>	<b><u>\$ 20,575,565</u></b>	<b><u>\$ 2,009,042</u></b>
 <b>Component Units</b>					
Bonds payable	\$ 8,291,770	\$ 4,078,378	\$ 1,414,229	\$ 10,955,919	\$ 1,655,134
Deposits	15,993	1,502,307	1,198	1,517,102	1,356,007
Compensated absences	638,834	235,739	201,285	673,288	78,524
Installment purchases/capital leases	66,254	1,959	24,082	44,131	11,980
Claims payable	133,766	36,965	39,167	131,564	21,331
Certificates of participation payable	1,204,096	27,908	49,374	1,182,630	23,935
Due to other governments/primary	699,976	117,641	58,629	758,988	35,631
Other liabilities	1,374,268	235,195	598,987	1,010,476	307,066
<b>Total Component Units</b>	<b><u>\$ 12,424,957</u></b>	<b><u>\$ 6,236,092</u></b>	<b><u>\$ 2,386,951</u></b>	<b><u>\$ 16,274,098</u></b>	<b><u>\$ 3,489,608</u></b>

## NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2011, amounts to be received or paid with current available resources are reported as due from or due to other funds, whereas the noncurrent portion is reported as advances to or advances from other funds. Interfund balances at June 30, 2011, consist of the following (in thousands):

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)					
	Governmental Activities					
	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	
<b>Governmental Activities</b>						
General Fund	\$ .....	\$ 5,063	\$ 82	\$ 73,830	\$ 7,508	
Environment, Recreation and Conservation	9,890	.....	.....	1,360	12,396	
Public Education	99	.....	.....	.....	.....	
Health and Family Services	5,997	.....	.....	.....	3,464	
Transportation	5,339	2,049	.....	90	.....	
Nonmajor	34,223	7,557	422	5,647	20,505	
Internal Service Funds	769	.....	.....	389	.....	
<b>Business-type Activities</b>						
Transportation	172	.....	.....	.....	60,138	
Lottery	21	.....	81,818	.....	.....	
Hurricane Catastrophe Fund	.....	.....	.....	.....	.....	
Prepaid College Program	.....	.....	.....	.....	.....	
Unemployment Compensation	507	.....	.....	.....	.....	
Nonmajor	3,973	.....	.....	50	.....	
<b>Fiduciary Funds</b>						
Private-purpose Trust Funds	28	.....	4,698	.....	1,539	
Pension and Other Employee Benefits Trust Funds	7	.....	.....	5	.....	
Agency Funds	85,286	15	1,092	3,495	3,304	
Investment Trust Funds	.....	.....	.....	.....	.....	
<b>Total</b>	<b>\$ 146,311</b>	<b>\$ 14,684</b>	<b>\$ 88,112</b>	<b>\$ 84,866</b>	<b>\$ 108,854</b>	

*(Continued Below)*

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor	Internal Service Funds
<b>Governmental Activities</b>		
General Fund	\$ 17,577	\$ 5,085
Environment, Recreation and Conservation	5,725	80
Public Education	531	102
Health and Family Services	3,003	7,883
Transportation	20,759	2,204
Nonmajor	10,974	19,416
Internal Service Funds	.....	232
<b>Business-type Activities</b>		
Transportation	.....	.....
Lottery	8	5
Hurricane Catastrophe Fund	.....	.....
Prepaid College Program	.....	.....
Unemployment Compensation	1,404	.....
Nonmajor	1,700	157
<b>Fiduciary Funds</b>		
Private-purpose Trust Funds	390	.....
Pension and Other Employee Benefits Trust Funds	.....	14,819
Agency Funds	6	.....
Investment Trust Funds	.....	.....
<b>Total</b>	<b>\$ 62,077</b>	<b>\$ 49,983</b>

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Due to Other Funds (in thousands)	Due from Other Funds (in thousands)				
	Business-type Activities				
	Transportation		Unemployment Compensation	Nonmajor	
<b>Governmental Activities</b>					
General Fund	\$ 500	\$ 2,407	\$ 5,218		
Environment, Recreation and Conservation	.....	118	.....		
Public Education	.....	24	.....		
Health and Family Services	.....	780	47		
Transportation	453	67	.....		
Nonmajor	.....	575	58		
Internal Service Funds	.....	36	.....		
<b>Business-type Activities</b>					
Transportation	.....	.....	.....		
Lottery	.....	7	4		
Hurricane Catastrophe Fund	.....	.....	116		
Prepaid College Program	.....	.....	.....		
Unemployment Compensation	.....	.....	.....		
Nonmajor	.....	101	.....		
<b>Fiduciary Funds</b>					
Private-purpose Trust Funds	.....	3	.....		
Pension and Other Employee Benefits Trust Funds	.....	.....	4,568		
Agency Funds	778	.....	14		
Investment Trust Funds	.....	.....	30		
<b>Total</b>	<b>\$ 1,731</b>	<b>\$ 4,118</b>	<b>\$ 10,055</b>		

*(Continued below)*

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)				
	Fiduciary Funds				
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	Total	
<b>Governmental Activities</b>					
General Fund	\$ .....	\$ 2	\$ 35,488	\$ 152,760	
Environment, Recreation and Conservation	.....	.....	.....	.....	<b>29,569</b>
Public Education	14	.....	.....	.....	<b>770</b>
Health and Family Services	.....	.....	37	.....	<b>21,211</b>
Transportation	.....	62	13,927	.....	<b>44,950</b>
Nonmajor	.....	.....	.....	.....	<b>99,377</b>
Internal Service Funds	.....	.....	20,045	.....	<b>21,471</b>
<b>Business-type Activities</b>					
Transportation	.....	.....	698	.....	<b>61,008</b>
Lottery	.....	.....	.....	.....	<b>81,863</b>
Hurricane Catastrophe Fund	.....	.....	.....	.....	<b>116</b>
Prepaid College Program	.....	.....	.....	.....	.....
Unemployment Compensation	.....	.....	1	.....	<b>1,912</b>
Nonmajor	.....	.....	.....	.....	<b>5,981</b>
<b>Fiduciary Funds</b>					
Private-purpose Trust Funds	.....	.....	.....	.....	<b>6,658</b>
Pension and Other Employee Benefits Trust Funds	.....	.....	.....	.....	<b>19,399</b>
Benefits Trust Funds	.....	.....	.....	.....	<b>93,990</b>
Agency Funds	.....	.....	.....	.....	<b>30</b>
<b>Total</b>	<b>\$ 14</b>	<b>\$ 64</b>	<b>\$ 70,196</b>	<b>\$ 641,065</b>	

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)				Business-type Activities	
	Governmental Activities		Health & Family Services			
	General Fund	Transportation	Transportation	.....		
<b>Governmental Activities</b>						
General Fund	\$ ..... \$	100	\$ 3,479	\$ ..... \$		
Public Education	.....	.....	.....	.....		
Nonmajor	625	.....	.....	.....		
Internal Service Funds	1,978	800	.....	.....		
<b>Business-type Activities</b>						
Transportation	.....	275,362	.....	.....		
<b>Total</b>	<b>\$ 2,603</b>	<b>\$ 276,262</b>	<b>\$ 3,479</b>	<b>\$ ..... \$</b>		

*(Continued below)*

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)		Total	
	Fiduciary Funds			
	Private-purpose Trust Funds			
<b>Governmental Activities</b>				
General Fund	\$ ..... \$	3,579		
Public Education	649,367	<b>649,367</b>		
Nonmajor	.....	625		
Internal Service Funds	.....	2,778		
<b>Business-type Activities</b>				
Transportation	.....	275,362		
<b>Total</b>	<b>\$ 649,367</b>	<b>\$ 931,711</b>		

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During the course of operations, there are numerous transactions between funds within the State. Interfund transfers during the year are as follows (in thousands):

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)					
	Governmental Activities					
	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	
<b>Governmental Activities</b>						
General Fund	\$ .....	\$ 636,380	\$ 838	\$ 1,755,528	\$ 116,608	
Environment, Recreation and Conservation	131,768	.....	.....	5,105	.....	
Public Education	1,122	.....	.....	215	.....	
Health and Family Services	70,697	.....	930	.....	40,121	
Transportation	51,369	26,710	.....	783	.....	
Nonmajor	265,161	63,433	253,647	60,306	778,760	
Internal Service Funds	9,117	720	44	580	1,305	
<b>Business-type Activities</b>						
Transportation	.....	.....	.....	.....	23,020	
Lottery	2	.....	1,191,818	.....	.....	
Hurricane Catastrophe Fund	.....	.....	.....	.....	.....	
Prepaid College Program	.....	.....	.....	.....	.....	
Unemployment Compensation	.....	.....	.....	.....	.....	
Nonmajor	108,771	.....	.....	5,589	.....	
<b>Fiduciary Funds</b>						
Private-purpose Trust Funds	67	.....	876	557	.....	
Pension and Other Employee Benefits Trust Funds	2,673	.....	.....	.....	.....	
Investment Trust Funds	.....	.....	.....	.....	.....	
<b>Total</b>	<b>\$ 640,747</b>	<b>\$ 727,243</b>	<b>\$ 1,448,153</b>	<b>\$ 1,828,663</b>	<b>\$ 959,814</b>	

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor	Internal Service Funds
<b>Governmental Activities</b>		
General Fund	\$ 633,657	\$ .....
Environment, Recreation and Conservation	479,383	.....
Public Education	1,556,729	.....
Health and Family Services	449,954	.....
Transportation	433,935	.....
Nonmajor	201,513	25,632
Internal Service Funds	10,532	11
<b>Business-type Activities</b>		
Transportation	.....	.....
Lottery	156	.....
Hurricane Catastrophe Fund	10,000	.....
Prepaid College Program	.....	.....
Unemployment Compensation	15,279	.....
Nonmajor	14,707	.....
<b>Fiduciary Funds</b>		
Private-purpose Trust Funds	2,577	.....
Pension and Other Employee Benefits Trust Funds	93	17,254
Investment Trust Funds	.....	.....
<b>Total</b>	<b>\$ 3,808,515</b>	<b>\$ 42,897</b>

(Continued next page)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)				
	Business-type Activities				
	Transportation	Lottery	Unemployment Compensation	Nonmajor	
<b>Governmental Activities</b>					
General Fund	\$ ..... \$ ..... \$ 9,526			\$ 1,381	
Environment, Recreation and Conservation	396	.....	520	.....	
Public Education	.....	.....	81	.....	
Health and Family Services	.....	.....	3,196	2,005	
Transportation	28,030	.....	346	.....	
Nonmajor	.....	.....	3,381	2,088	
Internal Service Funds	.....	18	151	44	
<b>Business-type Activities</b>					
Transportation	.....	.....	53	.....	
Lottery	.....	.....	.....	.....	
Hurricane Catastrophe Fund	.....	.....	.....	.....	
Prepaid College Program	.....	.....	.....	.....	
Unemployment Compensation	.....	.....	.....	.....	
Nonmajor	.....	.....	279	.....	
<b>Fiduciary Funds</b>					
Private-purpose Trust Funds	.....	.....	6	.....	
Pension and Other Employee Benefits Trust Funds	.....	.....	9	8,101	
Investment Trust Funds	.....	.....	.....	.....	
<b>Total</b>	<b>\$ 28,426</b>	<b>\$ 18</b>	<b>\$ 17,548</b>	<b>\$ 13,619</b>	

*(Continued below)*

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)			
	Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Total
<b>Governmental Activities</b>				
General Fund	\$ ..... \$ 56	\$ ..... \$ 3,153,974		
Environment, Recreation and Conservation	.....	.....	.....	617,172
Public Education	175	.....	.....	1,558,322
Health and Family Services	.....	.....	.....	566,903
Transportation	.....	.....	.....	541,173
Nonmajor	.....	.....	.....	1,653,921
Internal Service Funds	.....	.....	.....	22,522
<b>Business-type Activities</b>				
Transportation	.....	.....	.....	23,020
Lottery	.....	.....	.....	1,192,029
Hurricane Catastrophe Fund	.....	.....	.....	10,000
Prepaid College Program	1,596	.....	.....	1,596
Unemployment Compensation	.....	.....	.....	15,279
Nonmajor	.....	.....	.....	129,346
<b>Fiduciary Funds</b>				
Private-purpose Trust Funds	.....	.....	.....	4,083
Pension and Other Employee Benefits Trust Funds	.....	1,216,656	.....	1,244,786
Investment Trust Funds	.....	.....	67,268	67,268
<b>Total</b>	<b>\$ 1,771</b>	<b>\$ 1,216,712</b>	<b>\$ 67,268</b>	<b>\$ 10,801,394</b>

## NOTE 12 - RISK MANAGEMENT

### A. State Risk Management Trust Fund

The State Risk Management Trust Fund provides property insurance coverage for state buildings and contents against loss from fire, lightning, sinkholes, flood, and other hazards customarily insured by extended coverage and loss from the removal of personal property from such properties when endangered by covered perils. The property insurance program self-insures the first \$2 million per occurrence for all perils except named windstorm and flood. The property insurance program self-insures the first \$2 million per occurrence with an annual aggregate of \$40 million for named windstorm and flood. Commercial excess insurance is purchased for losses over the self-insured retention up to \$58.75 million per occurrence for named windstorm and flood losses through February 14, 2011, and \$61 million beginning February 15, 2011, and \$200 million per occurrence for all other perils.

The Fund's estimated liability for unpaid property insurance claims at the fiscal year-end is determined by an actuarial method and includes an amount for losses incurred but not yet reported. The amount of claims paid for property claims did not exceed insurance coverage for each of the last three years. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2010, and June 30, 2011, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year			Balance at Fiscal Year-end
		Claims and Changes in Estimate	Claim Payments		
June 30, 2010	\$ 649	\$ 85	\$ (477)	\$ 257	
June 30, 2011	\$ 257	\$ 122	\$ (190)	\$ 189	

The State Risk Management Trust Fund also provides casualty insurance coverage for the risks of loss related to Federal civil rights and employment actions, workers' compensation, court-awarded attorney fees, automobile liability, and general liability. The state is self-insured for all claims associated with liability risks and workers' compensation coverage.

The estimated liability for unpaid casualty insurance claims at June 30, 2011, was \$1,219.6 million. This amount was determined through an actuarial method based on historical paid and incurred losses and includes an amount for losses incurred but not yet reported. In addition, this amount includes the present value of workers' compensation indemnity reserves of \$330.6 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted carrying amount is \$465.8 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2010, and June 30, 2011, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year			Balance at Fiscal Year-end
		Claims and Changes in Estimate	Claim Payments		
June 30, 2010	\$ 1,046,864	\$ 183,860	\$ (145,985)	\$ 1,084,739	
June 30, 2011	\$ 1,084,739	\$ 262,675	\$ (127,833)	\$ 1,219,581	

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2011, increased by \$78.8 million.

## B. Employee and Retiree Health Insurance Funds

Employees and retirees may obtain health care services through participation in the state's group health insurance plan or through membership in a health maintenance organization plan under contract with the state. The state's risk financing activities associated with state group health insurance, such as the risks of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund, an internal service fund. It is the practice of the state not to purchase commercial coverage for the risks of losses covered by this program.

The program's estimated fiscal year-end liability includes an amount for claims that have been incurred but not reported, which is based on analyses of historical data performed by both the state and its contractors. Changes in claims liability amounts for the fiscal years ended June 30, 2010, and June 30, 2011, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2010	\$ 62,633	\$ 856,242	\$ (840,060)	\$ 78,815
June 30, 2011	\$ 78,815	\$ 828,506	\$ (830,215)	\$ 77,106

During the year, for program operations, both employee and retiree participation in the state group health insurance program are accounted for in the State Employees Group Health Insurance Trust Fund. Retiree participation in the program is considered an Other Postemployment Benefit (OPEB) for purposes of this report. See Note 6, Section B regarding OPEB for additional information. Asset and liability balances related to retiree participation in the program as of June 30, 2011, were transferred from the State Employees Group Health Insurance Trust Fund and reported in Other Agency Funds in accordance with the requirements of Governmental Accounting Standards Board Codification Section Po50, *Postemployment Benefit Plans Other Than Pension Plans – Defined Benefit*.

**NOTE 13 – FLORIDA PREPAID COLLEGE PROGRAM**

The Stanley G. Tate Florida Prepaid College Program was created in 1987 to provide a medium through which the costs of tuition, tuition differential fee, local fees, and dormitory residence may be paid in advance of enrollment in a state postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment. The Program is administered by the Florida Prepaid College Board and the State of Florida guarantees the obligations of the Board to qualified beneficiaries if moneys in the Program are insufficient. The Program is accounted for in an enterprise fund. An actuarial study is performed to determine the Program's funding status. Additional information as of June 30, 2011, is as follows:

Actuarial present value of future contract benefits and expenses payable	\$ 9,892,039,279
Net assets available	\$ 10,481,447,935
Net assets as a percentage of future contract benefits and expenses obligation	105.9%

## NOTE 14 –INSURANCE ENTERPRISES

The State of Florida has established multiple enterprises that provide insurance, reinsurance, and guarantee services. The primary risk exposures to the state relate to catastrophic hurricane losses, access to liquidity from credit markets, and ultimate dependence on public assessments.

### A. FLORIDA HURRICANE CATASTROPHE FUND

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993 by the Florida Legislature, as a state fund administered by the State Board of Administration (SBA) to provide a source of reinsurance to most residential property insurers for catastrophic hurricane losses, thereby creating additional insurance capacity. Most admitted residential property insurers writing FHCF covered policies are required to purchase mandatory reinsurance coverage with the FHCF. Chapter 2007-1, Laws of Florida, was enacted in 2007 amending statutes to require the FHCF provide optional additional coverage with the Temporary Emergency Options for Additional Coverage (TEACO layer) and the Temporary Increase in Coverage Limit Options (TICL layer) and the \$10 million coverage for certain statutorily designated companies.

The mandatory layer covers a portion of hurricane losses in excess of the industry wide retention, up to the lesser of either the statutory limit or the actual claims-paying capacity of the FHCF. For the contract year ending May 31, 2011, the industry wide retention was \$7.142 billion per hurricane for the first two hurricanes and \$2.381 billion for each subsequent hurricane in the contract year. The aggregate coverage capacity for the contract year (in excess of retention) was \$17.0 billion. The statute requires that an actuarially indicated formula developed by an independent actuary be used to calculate the reimbursement premiums collected for the mandatory layer.

The optional TEACO layer provides coverage for a portion of the losses underneath the mandatory layer with industry wide retentions ranging as low as \$3 billion. The statutory authority for TEACO sunset effective May 31, 2010.

The optional TICL layer covers a portion of hurricane losses in excess of the mandatory layer, up to the lesser of either \$12 billion or the actual claims-paying capacity of the FHCF. In 2009, statutes were amended to phase out the entire \$12 billion in TICL coverage at a rate of \$2 billion per year for 6 years, to completely phase out TICL coverage by 2014. The TICL coverage capacity for the contract year ending May 31, 2011, was \$8 billion.

The maximum reimbursable claims for the optional coverages (no TEACO option was selected) and mandatory layers (in the contract year ending May 31, 2011) was \$26.290 billion.

The SBA contracts with each insurer writing covered policies in the state to reimburse the insurer for a percentage of losses incurred from covered events. The obligation of the SBA with respect to all contracts covering a particular contract year shall not exceed the actual claims-paying capacity (as determined by the FHCF's bond underwriters and financial adviser). The FHCF has a fiscal year end of June 30 and its reimbursement contracts expire on May 31. As of June 30, 2011, the FHCF had net assets of \$4.73 billion, including net assets of the FHCF Finance Corporation.

If available resources and pre-catastrophe debenture financing are not adequate to satisfy reimbursement claims, the FHCF Finance Corporation may issue revenue bonds secured by emergency assessments. The SBA has the sole authority to direct the Florida Office of Insurance Regulation (OIR) and the Florida Surplus Lines Service Office to levy assessments on most property and casualty insurance policy premiums on behalf of the FHCF. Aggregate assessments may not exceed 10% and assessments in relation to losses in one contract year may not exceed 6%. As of June 30, 2011, the FHCF is levying assessments of 1.3%. This assessment authority is neither related to nor restricted by the assessments levied by either Citizens Property Insurance Corporation (Citizens), a discretely presented component unit, or the Florida Insurance Guarantee Association (FIGA).

To build up cash resources and reduce the reliance on post-event bonding, legislation was passed in 2009 that allows for a "cash build up" factor of 5% to be included in rates for coverage in the mandatory layer. This factor increases each year by 5% until it ultimately reaches 25% in year five and thereafter. This provision was designed to address the liquidity needs of the FHCF over the long run by allowing it to accelerate the build-up of its cash balance for paying claims.

The State of Florida was not hit by any hurricanes during the 2010 season. There were no hurricane losses incurred for the year ended June 30, 2011. In May, 2010 the Corporation issued post-event Series 2010A Revenue Bonds in the amount of \$675.9 million. These bond proceeds and their investment earnings will enhance the Fund's ability to make payments to participating insurers for losses resulting from the 2005 hurricane season. The funding for these bonds will come from emergency assessments on the direct written premium for all property and casualty lines of business in Florida including property and casualty business of surplus lines insurers, but not including workers' compensation or medical malpractice premiums. An Order was issued by OIR concurrently with the issuance of the 2010A Bonds to supersede the existing 1% emergency assessment with a 1.3% emergency assessment. The increased assessment is effective on all policies issued or renewed on or after January 1, 2011. These bonds are stated to mature, without prior right of redemption, on July 1 of the following years and bear interest at rates ranging from 3.5% to 5.0% as follows (in thousands):

2015	\$ 15,775	3.5%
2015	5,765	4.0
2015	320,915	5.0
2016	17,990	3.75
2016	<u>315,475</u>	5.0
	<u><u>\$ 675,920</u></u>	

## B. CITIZENS PROPERTY INSURANCE CORPORATION

Citizens Property Insurance Corporation (Citizens) was established on August 1, 2002, pursuant to Section 627.351(6), Florida Statutes (the Act), to provide certain residential and non-residential property insurance coverage to qualified risks in the State of Florida under circumstances specified in the Act. The original intent of the legislation was that property insurance be provided through Citizens to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so. Citizens results from a combination of the Florida Residential Property and Casualty Joint Underwriting Association (the FRPCJUA) and the Florida Windstorm Underwriting Association (the FWUA). The FRPCJUA was renamed Citizens and the FWUA's rights, obligations, assets, liabilities and all insurance policies were transferred to Citizens. Unlike private insurers offering coverage through the admitted market, Citizens is not required to obtain or to hold a certificate of authority issued by the Florida Office of Insurance Regulation (the Office). For purposes of its tax-exempt status, Citizens is considered a political subdivision and an integral part of the State of Florida. As such, Citizens' operations may be affected by the legislative process. In 2007, the Act was amended to recognize Citizens' status as a governmental entity and the necessity of Citizens to provide insurance that was affordable.

Citizens operates pursuant to a Plan of Operation (the Plan) approved by the Financial Services Commission (the Commission) of the State of Florida. The Commission is composed of the Governor, the Chief Financial Officer, the Attorney General and the Commissioner of Agriculture of the State. Prior to October 1, 2006, the Plan was subject to the approval of the Office.

Pursuant to the Act, all revenues, expenses, assets and liabilities of Citizens shall remain divided into three separate accounts: the Personal Lines Account, the Commercial Lines Account and the High-Risk Account. A brief history of each account follows:

**Personal Lines Account history** - The FRPCJUA began operations on January 21, 1993, after Hurricane Andrew, pursuant to Section 627.351(6), Florida Statutes, to provide certain residential property insurance coverage to qualified risks in the State of Florida (on a statewide basis) to applicants who were in good faith entitled to procure insurance through the private market but were unable to do so. Residential property coverage consists of the types of coverage provided to homeowners, mobile homeowners, tenants, condominium unit owners, and similar policies. The policies provide coverage for all perils covered under a standard residential policy, subject to certain underwriting requirements. Such policies exclude windstorm coverage on property within eligible areas. This portion of the FRPCJUA's activities became the Personal Lines Account under Citizens.

**Commercial Lines Account history** – The Florida Property and Casualty Joint Underwriting Association (FPCJUA) was activated in early 1994 to provide commercial residential coverage, i.e., coverage for condominium associations, apartment buildings and homeowner associations, to organizations unable to obtain such coverage from a private insurer. During 1995, legislation was enacted to transfer all obligations, rights, assets, and liabilities related to commercial residential coverage from the FPCJUA to the FRPCJUA. The legislation required that the premiums, losses, assets and

liabilities be accounted for separately from the FRPCJUA's personal residential business. These policies excluded windstorm coverage on properties within eligible areas. This portion of the FRPCJUA's activities became the Commercial Lines Account under Citizens. In 2006, the FPCJUA was re-activated to provide commercial non-residential wind only coverage. In 2007, legislation was enacted which resulted in the transfer and assumption of the FPCJUA's commercial non-residential policies by Citizens. These policies were added to the Commercial Lines Account.

***Coastal Account History (formerly High-Risk Account)*** – The FWUA, which was a residual market mechanism for windstorm and hail coverage in selected areas of the State, was created by an act of the Florida Legislature in 1970 pursuant to Section 627.351(2), Florida Statutes. FWUA was a Florida unincorporated association, the members of which were all property insurance companies holding a certificate of authority to provide property insurance coverage in the State. FWUA provided policies of windstorm insurance for property owners within the eligible areas who were unable to obtain such coverage from private insurers. Insured properties include personal residential, commercial residential and commercial non-residential properties. This portion of the FWUA's activities became the High Risk Account under Citizens. In 2007, Citizens received authority to issue multi-peril policies in the High-Risk Account.

Section 627.351(6)(n), Florida Statutes, requires Citizens to charge actuarially sound rates; however, legislation in 2007 and 2008 froze Citizens rates to amounts established in 2006 with no rate increases to be made until January 1, 2010 at the earliest.

Citizens' enabling legislation and Plan of Operations established a process by which Citizens may levy assessments to recover any deficits incurred in a given year. Citizens' determination of the amount of assessment is subject to the verification of the mathematical calculation by the Office of Insurance Regulation. Citizens' ability to assess provides some assurance of its financial stability.

In 2011, the Legislature directed that the name of the High Risk Account be renamed to Coastal Account. This change was effective May 17, 2011.

## ASSESSMENTS

Citizens' enabling legislation and the Plan establish a process by which Citizens is required to levy assessments to recover deficits incurred in a given plan year for any of its three accounts. Deficits are calculated separately, and assessments are accordingly levied separately, for each of the three accounts. The Plan provides for deficits to be determined in accordance with accounting principles generally accepted in the United States adjusted for certain items.

In the event of a Plan Year Deficit in an Account, Citizens must first levy an assessment against the premium of each Citizens policyholder (the "Citizens Policyholder Surcharge") in each of Citizens' Accounts, as a uniform percentage of the premium of the policy of up to 15% of such premium. Citizens Policyholder Surcharges are not subject to commissions, fees, or premium taxes; however, failure to pay a Citizens Policyholder Surcharge will be treated as failure to pay premiums. If the Citizens Policyholder Surcharge is insufficient to eliminate the deficit in an Account, Citizens would then levy a Regular Assessment on Assessable Insurers and Assessable Insureds, each as defined herein. The Regular Assessment is applied as a uniform percentage of the premium of the policy up to 6% of such premium per account.

Regular Assessments are levied on Assessable Insurers, as defined in Section 627.351(6), Florida Statutes, based upon each Assessable Insurer's share of direct written premium for the subject lines of business in the State of Florida for the calendar year preceding the year in which the deficit occurred. Regular Assessments on Assessable Insureds, collectively, are based on the ratio of the amount being assessed for an Account to the aggregate statewide direct written premiums for the subject lines of business for the preceding year.

If the deficit in any year in any Account is greater than the amount that may be recovered through Citizens' Policyholder Surcharges and Regular Assessments, Citizens is required to levy any remaining Plan Year Deficit as an Emergency Assessment. An Emergency Assessment is to be collected by all Assessable Insurers, Surplus Lines Agents and Citizens from policyholders upon the issuance or renewal of policies for Subject Lines of Business for as many years as necessary to cover the Plan Year Deficit in the Account. The primary difference between the assessment base for Regular Assessments and Emergency Assessments is the inclusion of Citizens' direct written premium in the assessment base for Emergency Assessments.

For purposes of Regular Assessments and Emergency Assessments, the "Subject Lines of Business" are all lines of property and casualty insurance, including automobile lines, but excluding accident and health, workers' compensation, and medical malpractice insurance, and also excluding insurance under the National Flood and Federal Crop insurance programs. The

Regular Assessment base excludes Citizens policies (while the Emergency Assessment base includes Citizens policies). Prior to the enactment of the 2007 Legislation, the Regular Assessment base for each Account was only the property lines of business.

**C. FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.**

The Florida Insurance Guaranty Association, Inc. (the Association), a not-for-profit corporation, was established by the Florida Legislature through the Florida Insurance Guaranty Act of 1970 (the Act). The Association was created to provide a mechanism for the payment of covered claims of insolvent insurers and to assist in the detection and prevention of insurers' insolvencies. The Association operates under the supervision and approval of a board of directors, comprised of eight persons, recommended by member insurers pursuant to Chapter 631.56, Florida Statutes, and subsequently appointed by the Florida Department of Financial Services.

The members of the Association are all insurers that hold a certificate of authority to provide property and casualty coverages in the State of Florida.

The funding of the Association's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and, as considered necessary, levied against member insurers on the basis of net direct written premiums in the state of Florida in the classes protected by the Act. The Association obtains the amount of the net direct written premiums, by company and by class of protection, to use as the basis for assessment calculations. The maximum regular assessment rate is 2%. In addition to the regular assessment, during 2006, the Florida Legislature granted the Association the authority to levy an emergency assessment up to an additional 2% of net direct written premiums for the account specified in Section 631.55(2)(b) to pay covered claims of insurers rendered insolvent by the effects of a hurricane. Also in 2006, the Association was granted the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, Florida Statutes, to issue tax-exempt bonds should the funding need arise for the account specified in Section 631.55(2)(b). As of June 30, 2011, the Association has not needed to utilize this bonding authority and no tax-exempt bonds have been issued.

## NOTE 15 – CONTINGENCIES

### A. Federal Family Education Loans Program

The Florida Department of Education (FDOE) administers the Federal Family Education Loans Program (FFELP), under which the FDOE guarantees loans made to eligible students and their parents by financial institutions. At June 30, 2011, approximately \$2.8 billion of loans were outstanding under this Program. The United States Department of Education participates in the Program as a reinsurer and reimburses the FDOE for defaulted loans at various rates based on the incidence of default. For loans made prior to October 1, 1993, the reimbursement rate for defaulted loans can be 80, 90, or 100%. For loans made on or after October 1, 1993, the reimbursement rate for defaulted loans can be 78, 88, or 98%. For loans made on or after October 1, 1998, the reimbursement rate for defaulted loans can be 75, 85, and 95%. During the 2010-2011 fiscal year, the actual rates were 95, 98, and 100%. A potential liability exists for loans defaulted in excess of the federal reimbursement. The specific amount of this potential liability is indeterminable.

### B. Federally Assisted Grant Programs

Florida participates in a number of federally assisted grant programs. These programs are subject to audits by the grantors or their representatives. Any disallowance as a result of these audits may become a liability of the state. The amounts of any foreseeable disallowances were not subject to reasonable estimation.

**Component units** - The United States Department of Health and Human Services, Office of Inspector General is auditing, reviewing, and investigating the University of Florida's practices relating to Federal awards finances and accounting; at this time in the process, university management is unable to make a determination of the outcome or estimate costs that the University may incur as a result of this audit.

### C. Peak Oil Superfund Site Remediation

The U.S. Environmental Protection Agency identified the Florida Department of Transportation (FDOT) as a Potentially Responsible Party for past and future response costs at the Peak Oil Superfund Site. The FDOT made payments under a consent decree in 1998, as entered in the case of *United States of America v. Bill Currie Ford, et al.*, Case No. 8:97-cv-01566-RAL, United States District Court, Middle District of Florida, Tampa Division. Implementation of remedial design is in process and the evaluation of the need for remedy in wetlands and deep aquifer is ongoing. Based on the remediation performed to date pursuant to the consent decree, FDOT has determined that its share of the potential future cost of remediation is not expected to exceed \$25 million.

## NOTE 16 – LITIGATION

Due to its size and broad range of activities, the state is involved in various, though sometimes routine, legal actions. The following are the significant loss contingencies associated with legal proceedings:

**A. Welch v. Theodorides-Bustle, et al., Case No. 4:09cv00302-RH/WCS (U.S. District Court, N.D. of Florida, Tallahassee Division).**

A Florida driver brought punitive class action against officials of the Florida Department of Highway Safety and Motor Vehicles, alleging violations of the Federal Driver Privacy Protection Act (DPPA) for disclosure of information to a private corporation and another entity. The Defendants filed a motion to dismiss that was denied on January 5, 2010. Both parties filed motions for summary judgment which were both denied on July 1, 2010. After a trial was conducted on February 28, 2011, Florida Department of Highway Safety and Motor Vehicles prevailed and a Final Order was entered on March 3, 2011. At present, no appeal has been reported.

**B. DirecTV and EchoStar Satellite LLC n/k/a Dish Network, LLC v. Department of Revenue, Case No. 05-CA-1037 (2<sup>nd</sup> Cir.) and Ogborn v. Department of Revenue, Case No. 05-CA-1354 (2<sup>nd</sup> Cir.) (Now Consolidated Case No. 05-CA-1037).**

These consolidated cases challenge the statutory distinction made in the application of the Communication Services Tax of Chapter 202, Florida Statutes, to cable and satellite TV providers. DirecTV challenges the statute as a provider, while Ogborn challenges on behalf of a class of subscribers. The Plaintiffs argue that applying a different statutory rate of tax on the sale of these competing services violates the Commerce Clause and the Equal Protection Clause. The amount of tax refund at issue is \$40 million annually. These two cases were consolidated on October 1, 2008. Discovery is ongoing.

**C. General Motors Corporation v. Florida Department of Revenue, Case No. 04-CA-2739 (2<sup>nd</sup> Cir.).**

General Motors repairs vehicles that fall outside the contractual terms of new or extended vehicle warranties under programs known as Special Policy or Goodwill Policy Adjustments. General Motors alleges the State illegally imposed a use tax on the tangible personal property that is incorporated into repairs made under these programs. The total tax, penalty, and interest at stake in this case exceeds \$60 million. In 2009, General Motors entered, and subsequently exited, bankruptcy. General Motors has since agreed that the sales tax assessment survived the emergence from bankruptcy, and the parties have agreed, and an order entered, to substitute General Motors LLC as the party plaintiff in the action. A hearing on Cross Summary Judgment motions was held on December 15, 2011. On January 18, 2012, Summary Judgment was entered for Plaintiff General Motors. The Department has not yet filed a notice of appeal.

**D. Home Depot USA, Inc. v. Florida Department of Revenue, Case No. 07-CA-4335 (13<sup>th</sup> Cir.).**

Home Depot is challenging four sales tax refund denials. Customers purchased merchandise at Home Depot using private label credit cards. These private label credit cards were issued by a separate entity bank that reimbursed Home Depot for the sales price, including sales tax, less a discount. The issue in this case is whether the “discount” (the difference between the sales price, plus tax charged to a customer and the amount reimbursed by the separate entity to Home Depot), is an unpaid balance due on worthless accounts for the purposes of Section 212.17(3), Florida Statutes, thus authorizing Home Depot certain tax credits.

The Department filed its answer and affirmative defenses on April 30, 2007. Home Depot filed a reply to the Department’s affirmative defenses and filed a motion to strike the Department’s second affirmative defense on May 14, 2007. Discovery is ongoing. The potential refund to Home Depot is approximately \$17.5 million and there could be a substantial recurring financial impact, exceeding \$25 million annually.

- E. Robert C. Bruner, et al v. Hartsfield, et al., Case No. 07-003247/1D08 5524 (2<sup>nd</sup> Cir./1<sup>st</sup> DCA); Jerome K. Lanning et. al. v. Pilcher, et. al., Case No. 07-582/D07-6564/SC09-1796 (2<sup>nd</sup> Cir./1<sup>st</sup> DCA); Deluccio, et. al v. Havill, et. al., Case No. 08-001412/1D08-5529 (2<sup>nd</sup> Cir./1<sup>st</sup> DCA).**

These three cases are separate class action refund cases against various Defendants including the Florida Department of Revenue concerning a constitutional challenge to the Save Our Homes (SOH) provisions in Article VII, section 4(c) of the Florida Constitution, and as implemented by Section 193.155, Florida Statutes. The essence of these claims is that the SOH provisions violate equal protection under the Florida and U. S. Constitutions by discriminating against new homeowners by creating an ad valorem tax system that favored long-term homeowners thus infringing upon homeowners' constitutional right to travel.

In *Bruner*, the trial court ruled the SOH taxation system did not violate either the State or Federal constitutions, but found it had jurisdiction to hear the matter. Both sides appealed the ruling to the 1<sup>st</sup> DCA, which affirmed both holdings. In *Lanning*, the Plaintiffs had the entirety of their claim dismissed by the trial court, which ruling the Plaintiffs appealed to the 1<sup>st</sup> DCA. The 1<sup>st</sup> DCA affirmed and the Plaintiffs sought also to invoke discretionary review by the Florida Supreme Court. In both *Bruner* and *Pilcher*, the Florida Supreme Court and the United States Supreme Court denied review of the cases. Both these cases are concluded. The *Deluccio* case has likewise concluded after the Plaintiffs failed to prevail at the trial court and every available appellate court up to and including the U.S. Supreme Court which denied certiorari on the matter on December 6, 2010. This case is also closed.

- F. Citizens for Strong Schools, et al. v. Florida State Board of Education, et al., Case No. 09-CA-4534 (2<sup>nd</sup> Cir.).**

A citizen's advocacy group brought suit against the Department of Education, the Governor, and the Legislature broadly alleging that the state has failed to make "adequate provision...for a uniform, safe, secure, and high quality system of free public schools that allows students to obtain a high quality education...." The plaintiffs seek an order requiring the state to develop a remedial plan making sweeping changes to the funding and delivery of public K-12 education.

The defendants filed a joint motion to dismiss the case, on the grounds that the issues presented are non-justifiable political questions. On August 20, 2010, the trial court denied that motion. On November 29, 2010, the Defendants petitioned the First District Court of Appeal for a writ of prohibition, asserting that the case presents a political question that should not be entertained by the courts. Oral Argument in this case was heard on July 30, 2011. On January 6, 2012, the First District Court of Appeal denied Petitioner's motion for rehearing and clarification. The Department has not decided whether to proceed with this case by requesting the Florida Supreme Court to review the case.

- G. Florida Gas Transmission Company v. Florida Department of Transportation, Case No. CACE07001922 (17<sup>th</sup> Cir.); 4D11-2567 (Fla. 4<sup>th</sup> DCA).**

Plaintiff's claim is based on an alleged breach of easement and seeks injunctive relief and reimbursement of natural gas pipeline relocation costs. Plaintiff seeks damages in excess of \$90 million for relocating the pipelines. The Florida Department of Transportation (FDOT) has counterclaimed for breach of easement, unjust enrichment, promissory estoppel, and trespass, seeking damages in excess of \$30 million, and declaratory and injunctive relief. The trial commenced on January 4, 2011. On January 27, 2011, the jury returned a verdict in favor of Plaintiff in the amount of \$82,697,567 for Plaintiff's costs in relocating its pipelines. The Court has not ruled on a number of other claims by Plaintiff and by the FDOT. The FDOT filed post trial motions and Plaintiff filed a motion for pre-judgment interest, all of which were set for hearing on March 18, 2011. On May 2, 2011, the Court entered a Final Judgment in favor of the Plaintiff in the principle sum of \$82,697,567 plus pre-judgment interest. On May 12, 2011, FDOT filed a motion to alter or amend the Final Judgment. On July 1, 2011, the Court entered an Amended Final Judgment not impacting the previously mentioned dollar amount. Both parties appealed. The matter is now pending in the Fourth District Court of Appeal.

- H. AMEC Civil LLC v. Florida Department of Transportation, Case No. 16-2008-CA-001722-XXXX-MA (4<sup>th</sup> Cir.); SC10-1699.**

The Florida Department of Transportation contracted with AMEC for reconstruction of an intersection. AMEC commenced this action on February 7, 2008, claiming additional money damages arising from this contract of approximately \$37 million. On February 20, 2009, the Court entered final summary judgment in favor of the Department, which the 1<sup>st</sup> DCA affirmed (Case No. 1D09-1211), and subsequently denied AMEC's motions requesting rehearing and

certification to the Florida Supreme Court. AMEC sought discretionary review by the Florida Supreme Court which denied jurisdiction on May 10, 2011, and the case was closed.

- I. In re Citrus Canker Litigation, Case No. 00-18394 (17<sup>th</sup> Cir. Broward County); Mendez v. Florida Department of Agriculture and Consumer Services, Case No. 02-13717 (15th Cir. Palm Beach County); Ayers v. Florida Department of Agriculture and Consumer Services, Case No. 05-CA-4120 (9<sup>th</sup> Cir. Orange County); In re Citrus Canker Litigation, Case No. 03-8255 (11<sup>th</sup> Cir. Miami-Dade County); Martinez v. Florida Department of Agriculture and Consumer Services, Case No. 03-30110 (11<sup>th</sup> Cir. Miami-Dade County); and Dellaselva v. Florida Department of Agriculture and Consumer Services, Case No. 03-1947 (20<sup>th</sup> Cir. Lee County).**

*In re Citrus Canker Litigation*, Case No. 00-18394, concerns a class of Broward County homeowners who sued for compensation for their citrus trees that had been exposed to citrus canker and removed by the Department after January 1, 2000. After a non-jury trial on liability, and a jury trial on compensation, the class was awarded damages. Final judgment including prejudgment interest, totaling \$8,043,450, was entered on October 6, 2008. Post-judgment interest is running on the judgment. Plaintiffs will also be awarded costs and attorneys' fees. The Fourth District Court of Appeal affirmed the judgment, the Florida Supreme Court declined to review the decision, and the United States Supreme Court declined to issue a writ of certiorari to review the decision.

In related cases, similar classes have been certified and the certifications affirmed, in Palm Beach County, Lee County, and Orange County. In the Palm Beach County case, the circuit judge found the Department liable for removal of the class' canker-exposed citrus, and a jury awarded the class the amount of \$12,211,704. A final judgment, including prejudgment interest, totaling \$19,222,491, was entered on August 3, 2011. Post-judgment interest is running on the judgment. Plaintiffs also seek costs and attorneys' fees. The Department has appealed the final judgment to the Fourth District Court of Appeal. A liability trial is scheduled in the Orange County case for March 2012, and in the Lee County case for summer 2012. In a related Miami-Dade County class action, *In re Citrus Canker Litigation*, Case No. 03-8255, the trial court certified a class, and the Department appealed the certification to the Third District Court of Appeal. No liability or damages trial is scheduled in this case. In another Miami-Dade County case, *Martinez*, Case No. 03-30110, the trial court denied certification of a class of citrus owners, and the appellate court affirmed the denial. The trial court is presently allowing the Plaintiffs a final opportunity to recertify a class consisting of residential homeowners in that action.

- J. Angelfish Swim School, et. al. v. Browning, Case No. 2003-13413-CA-01 (11<sup>th</sup> Cir.); 3D08-1827 (Fla. 3<sup>rd</sup> DCA).**

Class action lawsuit alleges the late charge for late corporate filing imposed by Section 607.193(2)(b), Florida Statutes, and fee for reinstatement of corporation after administrative dissolution imposed by Section 607.0122(13), Florida Statutes, are excessive fines in violation of the Florida Constitution. Summary judgment was denied in part and deferred in part. The trial court certified the case as a class action. The Department of State has appealed the Class Certification Order to the Third District Court of Appeal. Potential liability to the state is an estimated \$150 million, plus prejudgment interest. On April 6, 2011, the 3<sup>rd</sup> DCA issued an opinion reversing the trial court's class certification. Plaintiffs have moved for clarification, rehearing, rehearing en banc, and certification as a question of great public importance. The 3<sup>rd</sup> DCA has not yet ruled on these motions.

- K. Christine R. Dunham, et. al. v. State of Florida, Agency for Health Care Administration, et. al., Case No. 09-612CA01 (1<sup>st</sup> Cir.).**

Plaintiff class alleged AHCA and other state actors violated 42 U.S.C. §1396(k) and 1396(p)(a)(1), U.S. Const. amend. V and XIV, Florida Const., art. X, §6, and committed a breach of contract. The allegations indicate that Defendants asserted liens and received recovery out of workers' compensation settlements when no reimbursement of medical expenses was part of such settlement. This case is among recent actions regarding the Medicaid anti-lien provision decided by the United States Supreme Court in *Arkansas Department of Health & Human Services v. Ahlborn*, 126 S.Ct. 1752 (2006). Ahlborn held that Medicaid liens may be recovered only from the portion of a settlement that applied to reimbursement of medical expenses. Plaintiffs sought injunctive relief alleging violation of federal law and relief under the *Ahlborn* decision.

After preliminary litigation in the matter, the Plaintiffs voluntarily agreed to dismiss the case on May 23, 2011. The matter is reported as closed.

**L. George Williams, et.al., v. Rick Scott, et.al., Case No. 2011 CA 1584 (2nd Cir.).**

On June 20, 2011, various plaintiffs filed a complaint in the Circuit Court for Leon County against John P. Miles, in his capacity as the Secretary of the Department of Management Services, as well as Governor Rick Scott, Chief Financial Officer Jeff Atwater, and Attorney General Pam Bondi, in their collective capacities as the trustees of the State Board of Administration. The complaint challenges the constitutionality of certain changes to the Florida Retirement System (FRS) contained in Chapter 2011-68, Laws of Florida. Specifically, the plaintiffs allege that the requirement that, effective July 1, 2011, FRS members must contribute three percent of their gross compensation to FRS, and the elimination of a cost-of-living adjustment for work performed on and after July 1, 2011, both violate the Florida Constitution. The court heard cross-motions for summary judgment in this matter on October 26, 2011, but has yet to issue a ruling. The financial impact of a ruling that the compulsory three percent contribution is unconstitutional would be in excess of \$861,000,000.

## NOTE 17 – DEFICIT FUND EQUITY

### A. Governmental Funds

The *State Courts Revenue Trust Fund* has a deficit fund balance of approximately \$6.1 million. The deficit is predominantly a result of a reduction in revenue streams from foreclosure filings which make up 83% of the receipts in this fund. The State Courts System expects an increase in revenues during the next fiscal year and will also exercise other available options to stabilize the fund.

The *State School Trust Fund* has a deficit fund balance of approximately \$518.2 million. The deficit is primarily the result of establishing an advance (long-term liability) for potential future claims on a portion of the cash advanced by the Unclaimed Property Trust Fund. Due to the long-term nature of the liability, the Department of Education pays claims as they are made rather than funding the full amounts which may ultimately be payable.

The *Brain and Spinal Cord Injury Rehab Trust Fund* has a deficit fund balance of approximately \$2.2 million. The deficit is primarily the result of a reduction in revenues in recent years. These revenues are used to pay the State's share of expenditures for the Traumatic Brain Injury and Spinal Cord Injury Home and Community-Based Medicaid Waiver Program. The Department of Health expects an increase in revenues during the next fiscal year and also the receipt of specific appropriations to stabilize the fund.

### B. Proprietary Funds

The *Correction Work Program Trust Fund* has a net asset deficit of approximately \$1.6 million. The deficit is a result of revenues being insufficient to cover long-term obligations, consisting mainly of a compensated absences liability. Due to the long-term nature of the liability, the Department of Corrections plans to continue operating the program and liquidate the liability on a pay-as-you-go basis.

The *Beachline East Expressway Toll Trust Fund* (formerly known as the *Beeline East Expressway Toll Trust Fund*) has a net asset deficit of approximately \$28 million. The deficit is a result of committing Beachline toll revenues to pay a portion of the construction costs of SR 520, an adjoining non-tolled road. Expenses incurred to date are greater than toll revenues. The Department of Transportation has agreed to fund certain costs in advance thereby creating a liability for Beachline to repay. Future toll revenues continue to be used to pay additional SR 520 costs and the associated liability.

The *Legal Service Trust Fund* has a net asset deficit of approximately \$2.5 million. The deficit is a result of revenues being insufficient to cover long-term obligations, consisting mainly of a compensated absences liability. Due to the long-term nature of the liability, the Department of Legal Affairs plans to continue providing legal services and liquidate the liability on a pay-as-you-go basis.

The *Unemployment Compensation Trust Fund* has a net asset deficit of approximately \$1.1 billion. The deficit is a result of revenues being insufficient to cover unemployment benefit payments to claimants. In August 2009 the state trust fund balance was exhausted. In order to continue making benefit payments the State requested Title XII advances from the federal government, as provided for under Section 1201 of the Social Security Act, thereby creating a liability for the State to repay from future State Unemployment Insurance Tax collections. The cumulative advances through June 30, 2011 total approximately \$1.574 billion. The trust fund is projected to remain in a deficit fund equity position until state fiscal year 2014-15. Current Title XII advances as of September 23, 2011 were \$1.611 billion. Refer to Note 9 C for additional information regarding advances from the federal government.

### C. Fiduciary Funds

The *Life and Other Benefits Fund* has a net asset deficit of approximately \$1.7 million. The deficit is a result of an accrual of Other Postemployment Benefits (OPEB) in accordance with the Governmental Accounting Standards Board (GASB) Codification Section P50, *Postemployment Benefits Other Than Pension Benefits – Employer Reporting*.

**NOTE 18 – SUBSEQUENT EVENTS****A. Bonds**

The following bonds for governmental and business-type activities of the primary government were issued subsequent to June 30, 2011:

Agency/Bond	Series	Amount	Matures	Interest Rate
<b>Governmental Activities:</b>				
Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds	2008F	\$ 74,200,000	06/01/2012-06/01/2041	3.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2008G	\$ 70,300,000	6/1/2024	5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2011C	\$ 220,885,000	06/01/2013-06/01/2029	3.000% - 5.000%
Department of Environmental Protection, Florida Forever Revenue Refunding Bonds	2011A	\$ 127,920,000	07/01/2012-07/01/2021	3.000% - 5.000%
State Board of Education, Lottery Revenue Refunding Bonds	2011A	\$ 242,240,000	07/01/2014-07/01/2023	4.000% - 5.000%
Department of Environmental Protection, Florida Forever Revenue Refunding Bonds	2011B	\$ 164,010,000	07/01/2013-07/01/2022	4.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2011D	\$ 241,825,000	06/01/2022-06/01/2025	5.000%
Board of Governors, University of Florida Dormitory Revenue Refunding Bonds	2011A	\$ 16,350,000	07/01/2012-07/01/2028	2.000% - 4.000%
Board of Governors, Florida State University Dormitory Revenue Refunding Bonds	2011A	\$ 27,745,000	05/01/2013-05/01/2031	2.000% - 4.125%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2011E	\$ 164,450,000	06/01/2022-06/01/2032	4.000% - 5.000%
Board of Governors, Florida International University Dormitory Revenue Refunding Bonds	2011A	\$ 22,210,000	07/01/2013-07/01/2025	3.000% - 5.000%
Board of Governors, University of Central Florida Parking Facility Revenue Refunding Bonds	2011A	\$ 11,005,000	07/01/2013-07/01/2022	3.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2011F	\$ 164,035,000	06/01/2013-06/01/2032	2.000% - 5.000%
Full Faith and Credit, State Board of Education Capital Outlay Refunding Bonds	2011A	\$ 53,785,000	01/01/2013-01/01/2023	3.000% - 5.000%
<b>Business Type Activities:</b>				
Department of Transportation, Turnpike Revenue Bonds	2011A	\$ 150,165,000	07/01/2012-07/01/2041	3.250% - 5.250%

**OTHER REQUIRED  
SUPPLEMENTARY  
INFORMATION**

# 2011 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

<b>General Fund</b>				
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over / (Under)</b>
Fund Balances, July 1, 2010	\$ 1,951,316	\$ 1,951,316	\$ 1,951,316	\$ .....
Reversions	294,359	294,359	294,359	.....
Fund Balances, July 1, 2010, restated	<u>2,245,675</u>	<u>2,245,675</u>	<u>2,245,675</u>	<u>.....</u>
 <b>REVENUES</b>				
Fees and charges	1,095,813	1,053,913	1,575,199	521,286
Licenses	1,128,576	1,137,676	417,456	(720,220)
Taxes	24,751,765	24,458,165	24,651,810	193,645
Miscellaneous	4,640	4,640	5,559	919
Interest	118,162	138,862	130,082	(8,780)
Grants	14,246	14,246	11,703	(2,543)
Refunds	9,646	9,646	274,401	264,755
Transfers and distributions	2,067,762	1,993,262	2,126,603	133,341
Other	353,186	359,686	326,599	(33,087)
Total Revenues	<u>29,543,796</u>	<u>29,170,096</u>	<u>29,519,412</u>	<u>349,316</u>
Total Available Resources	<u>31,789,471</u>	<u>31,415,771</u>	<u>31,765,087</u>	<u>349,316</u>
 <b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	3,562,345	3,709,854	3,672,298	37,556
Other personal services	68,124	71,462	67,383	4,079
Expenses	368,851	408,764	393,686	15,078
Grants and aids	12,052,177	12,062,437	12,043,761	18,676
Operating capital outlay	14,929	16,391	13,293	3,098
Food products	63,793	61,948	61,668	280
Fixed capital outlay	35,694	35,694	35,694	.....
Lump sum	403,472	1,501	1,501	.....
Special categories	7,629,206	7,927,133	7,743,352	183,781
Financial assistance payments	242,919	242,057	241,942	115
Continuing Appropriations	.....	88,992	88,992	.....
Grants/aids to local governments	41,029	41,029	41,029	.....
Data processing services	42,485	41,517	39,268	2,249
Pensions and benefits	16,743	16,743	14,832	1,911
Claim bills and relief acts	.....	1,755	1,755	.....
Total Operating Expenditures	<u>24,541,767</u>	<u>24,727,277</u>	<u>24,460,454</u>	<u>266,823</u>
Nonoperating expenditures:				
Transfers	3,915,222	3,915,222	3,915,222	.....
Qualified expenditures	.....	.....	.....	.....
Refunds	725,827	328,433	328,433	.....
Other	1,683,779	1,683,779	1,683,779	.....
Total Nonoperating Expenditures	<u>6,324,828</u>	<u>5,927,434</u>	<u>5,927,434</u>	<u>.....</u>
Total Expenditures	<u>30,866,595</u>	<u>30,654,711</u>	<u>30,387,888</u>	<u>266,823</u>
Fund Balances, June 30, 2011	<u>\$ 922,876</u>	<u>\$ 761,060</u>	<u>\$ 1,377,199</u>	<u>\$ 616,139</u>

The notes to required supplementary information are an integral part of this schedule.

**2011 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Environment, Recreation and Conservation				
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 1,300,865	\$ 1,300,865	\$ 1,300,865	\$ .....
Reversions	1,500	1,500	1,500	.....
Fund Balances, July 1, 2010, restated	<u>1,302,365</u>	<u>1,302,365</u>	<u>1,302,365</u>	<u>.....</u>
<b>REVENUES</b>				
Fees and charges	114,533	134,766	137,631	2,865
Licenses	34,830	23,928	47,683	23,755
Taxes	56,402	289,580	291,765	2,185
Miscellaneous	3,717	1,009	981	(28)
Interest	53,674	72,078	28,182	(43,896)
Grants	237,529	274,686	290,717	16,031
Refunds	670	1,841	2,815	974
Transfers and distributions	1,069,305	1,175,906	1,179,535	3,629
Other	74,068	12,642	126,042	113,400
Total Revenues	<u>1,644,728</u>	<u>1,986,436</u>	<u>2,105,351</u>	<u>118,915</u>
Total Available Resources	<u>2,947,093</u>	<u>3,288,801</u>	<u>3,407,716</u>	<u>118,915</u>
<b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	242,773	241,861	231,048	10,813
Other personal services	24,570	24,507	21,612	2,895
Expenses	49,730	48,967	43,852	5,115
Grants and aids	5,995	5,995	5,953	42
Operating capital outlay	1,893	2,254	1,735	519
Fixed capital outlay	665,832	665,832	665,832	.....
Lump sum	2,114	.....	.....	.....
Special categories	276,195	301,841	252,037	49,804
Grants/aids to local governments	443,977	443,977	443,977	.....
Data processing services	121	121	119	2
Total Operating Expenditures	<u>1,713,200</u>	<u>1,735,355</u>	<u>1,666,165</u>	<u>69,190</u>
Nonoperating expenditures:				
Transfers	235,250	227,171	227,171	.....
Refunds	50,329	22,957	22,957	.....
Other	437,968	333,344	333,344	.....
Total Nonoperating Expenditures	<u>723,547</u>	<u>583,472</u>	<u>583,472</u>	<u>.....</u>
Total Expenditures	<u>2,436,747</u>	<u>2,318,827</u>	<u>2,249,637</u>	<u>69,190</u>
Fund Balances, June 30, 2011	<u>\$ 510,346</u>	<u>\$ 969,974</u>	<u>\$ 1,158,079</u>	<u>\$ 188,105</u>

The notes to required supplementary information are an integral part of this schedule.

**2011 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

<b>Public Education</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 1,008,336	\$ 1,008,336	\$ 1,008,336	\$ .....
Reversions	85,434	85,434	85,434	.....
Fund Balances, July 1, 2010, restated	<u>1,093,770</u>	<u>1,093,770</u>	<u>1,093,770</u>	<u>.....</u>
<b>REVENUES</b>				
Fees and charges	1,280,275	1,403,933	43,745	(1,360,188)
Licenses	3,345	.....	.....	.....
Taxes	670,770	692,800	639,484	(53,316)
Miscellaneous	85,361	27,648	.....	(27,648)
Interest	61,230	70,919	31,694	(39,225)
Grants	5,065,133	3,590,107	5,042,328	1,452,221
Refunds	3,095	3,086	4,467	1,381
Bond proceeds	707,809	589,827	589,836	9
Transfers and distributions	2,166,871	2,273,574	2,181,163	(92,411)
Other	154,059	148,884	247,940	99,056
Total Revenues	<u>10,197,948</u>	<u>8,800,778</u>	<u>8,780,657</u>	<u>(20,121)</u>
Total Available Resources	<u>11,291,718</u>	<u>9,894,548</u>	<u>9,874,427</u>	<u>(20,121)</u>
<b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	42,621	42,552	38,773	3,779
Other personal services	1,833	1,836	350	1,486
Expenses	16,643	16,348	6,086	10,262
Grants and aids	6,541,674	5,237,857	4,794,222	443,635
Operating capital outlay	1,563	1,777	83	1,694
Fixed capital outlay	2,437,234	2,437,234	2,437,234	.....
Special categories	741,380	1,449,341	1,277,801	171,540
Financial assistance payments	58,141	58,141	51,702	6,439
Grants/aids to local governments	82,750	82,750	82,750	.....
Payments to U.S. Treasury	2,000	466	466	.....
Data processing services	5,032	5,172	4,453	719
Total Operating Expenditures	<u>9,930,871</u>	<u>9,333,474</u>	<u>8,693,920</u>	<u>639,554</u>
Nonoperating expenditures:				
Transfers	309,741	373,696	373,696	.....
Refunds	3,543	273	273	.....
Other	155,905	40,483	40,483	.....
Total Nonoperating Expenditures	<u>469,189</u>	<u>414,452</u>	<u>414,452</u>	<u>.....</u>
Total Expenditures	<u>10,400,060</u>	<u>9,747,926</u>	<u>9,108,372</u>	<u>639,554</u>
Fund Balances, June 30, 2011	<u>\$ 891,658</u>	<u>\$ 146,622</u>	<u>\$ 766,055</u>	<u>\$ 619,433</u>

The notes to required supplementary information are an integral part of this schedule.

**2011 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
(in thousands)

<b>Health and Family Services</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 960,463	\$ 960,463	\$ 960,463	\$ .....
Reversions	561,715	561,715	561,715	.....
Fund Balances, July 1, 2010, restated	<u>1,522,178</u>	<u>1,522,178</u>	<u>1,522,178</u>	.....
<b>REVENUES</b>				
Fees and charges	1,992,984	2,345,674	1,394,801	(950,873)
Licenses	25,126	29,400	24,346	(5,054)
Taxes	692,389	1,095,834	1,074,298	(21,536)
Miscellaneous	396	5	5	.....
Interest	5,670	16,901	6,556	(10,345)
Grants	16,454,841	15,875,346	16,436,070	560,724
Refunds	941,193	10,013	999,521	989,508
Transfers and distributions	1,867,896	2,899,893	2,068,184	(831,709)
Other	33,122	141,181	53,403	(87,778)
Total Revenues	<u>22,013,617</u>	<u>22,414,247</u>	<u>22,057,184</u>	(357,063)
Total Available Resources	<u>23,535,795</u>	<u>23,936,425</u>	<u>23,579,362</u>	(357,063)
<b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	1,375,213	1,352,567	1,294,677	57,890
Other personal services	101,927	118,788	103,973	14,815
Expenses	272,238	282,244	259,765	22,479
Grants and aids	52,273	52,273	35,799	16,474
Operating capital outlay	16,526	17,729	14,662	3,067
Food products	1,484	1,505	1,502	3
Fixed capital outlay	8,150	8,150	8,150	.....
Special categories	19,607,351	20,676,147	18,932,819	1,743,328
Financial assistance payments	91,677	91,647	54,194	37,453
Grants/aids to local governments	11,288	11,288	11,288	.....
Data processing services	39,734	39,835	33,952	5,883
Claim bills and relief acts	3,410	3,410	3,410	.....
Total Operating Expenditures	<u>21,581,271</u>	<u>22,655,583</u>	<u>20,754,191</u>	1,901,392
Nonoperating expenditures:				
Continuing Appropriations	.....	40,554	40,554	.....
Transfers	1,035,884	866,309	866,309	.....
Qualified expenditures	4,412	.....	.....	.....
Refunds	13,801	10,508	10,508	.....
Other	12,693	75,322	75,322	.....
Special expenses	100	.....	.....	.....
Total Nonoperating Expenditures	<u>1,066,890</u>	<u>992,693</u>	<u>992,693</u>	.....
Total Expenditures	<u>22,648,161</u>	<u>23,648,276</u>	<u>21,746,884</u>	1,901,392
Fund Balances, June 30, 2011	<u>\$ 887,634</u>	<u>\$ 288,149</u>	<u>\$ 1,832,478</u>	<u>\$ 1,544,329</u>

The notes to required supplementary information are an integral part of this schedule.

**2011 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Transportation				
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 209,409	\$ 209,409	\$ 209,409	\$ .....
Reversions	1,242	1,242	1,242	.....
Fund Balances, July 1, 2010, restated	<u>210,651</u>	<u>210,651</u>	<u>210,651</u>	<u>.....</u>
<b>REVENUES</b>				
Fees and charges	125,332	137,700	125,332	(12,368)
Taxes	2,273,622	2,196,080	2,273,622	77,542
Interest	842	2,112	1,101	(1,011)
Refunds	11,328	.....	11,328	11,328
Transfers and distributions	104,562	291,073	106,495	(184,578)
Other	34,106	31,860	29,506	(2,354)
Total Revenues	<u>2,549,792</u>	<u>2,658,825</u>	<u>2,547,384</u>	<u>(111,441)</u>
Total Available Resources	<u>2,760,443</u>	<u>2,869,476</u>	<u>2,758,035</u>	<u>(111,441)</u>
<b>EXPENDITURES</b>				
Operating expenditures:				
Salaries and benefits	7,575	4,100	3,722	378
Other personal services	51	55	50	5
Expenses	940	936	652	284
Operating capital outlay	40	40	2	38
Special categories	104,264	104,296	101,958	2,338
Total Operating Expenditures	<u>112,870</u>	<u>109,427</u>	<u>106,384</u>	<u>3,043</u>
Nonoperating expenditures:				
Transfers	.....	17,484	17,484	.....
Refunds	79,700	63,359	63,359	.....
Other	2,562,145	2,342,319	2,342,319	.....
Total Nonoperating Expenditures	<u>2,641,845</u>	<u>2,423,162</u>	<u>2,423,162</u>	<u>.....</u>
Total Expenditures	<u>2,754,715</u>	<u>2,532,589</u>	<u>2,529,546</u>	<u>3,043</u>
Fund Balances, June 30, 2011	<u>\$ 5,728</u>	<u>\$ 336,887</u>	<u>\$ 228,489</u>	<u>\$ (108,398)</u>

The notes to required supplementary information are an integral part of this schedule.

**2011 STATE OF FLORIDA CAFR**

**BUDGET TO GAAP RECONCILIATION**

**GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

(in thousands)

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	\$ 1,377,199	\$ 1,158,079	\$ 766,055	\$ 1,832,478	\$ 228,489
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	1,179,018	135,184	104,637	16,693	111,824
Fair value adjustments to investments within the State Treasury	61,870	10,978	8,498	1,356	9,081
Special investments within the State Treasury	27,505	.....	.....	9,249	.....
Non-State Treasury cash and investments	1,075,500	1,457	.....	23,532	174,059
Other GAAP basis fund balances not included in budgetary basis fund balances	(141,441)	(4,349)	(158,295)	(1,009,250)	913,833
Adjusted budgetary basis fund balances	3,579,651	1,301,349	720,895	874,058	1,437,286
Adjustments (basis differences):					
Net receivables (payables) not carried forward	(33,163)	1,058,668	307,544	1,278,710	(45,531)
Inventories, prepaid items and deferred charges	11,994	937	.....	35,153	15,829
Encumbrances	68,686	2,156	79,889	57,244	32,558
GAAP basis fund balances	<u>\$ 3,627,168</u>	<u>\$ 2,363,110</u>	<u>\$ 1,108,328</u>	<u>\$ 2,245,165</u>	<u>\$ 1,440,142</u>

The notes to required supplementary information are an integral part of this schedule.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

### BUDGETARY REPORTING

#### **Budget Process**

Chapter 216, Florida Statutes (F.S.), promulgates the process used to develop the budget for the State of Florida. For 2011, the head of each state agency and the Chief Justice of the Supreme Court for the Judicial Branch submit a final annual legislative budget request to the Governor and Legislature by September 15 due to the schedule annual legislative session commencing on January 10, 2012. Then, at least 30 days before the scheduled annual legislative session in each year, the Governor, as Chief Budget Officer, submits his recommended budget to each legislator.

The Governor also provides estimates of revenues sufficient to fund the recommended appropriations. Revenue estimates for the General Fund and selected trust funds are made by the Revenue Estimating Conference. This group includes members of the Executive and Legislative branches with forecasting experience who develop official information regarding anticipated state and local government revenues as needed for the state budgeting process. Revenue estimates for trust funds not projected by the Revenue Estimating Conference (consisting mainly of special revenue funds) are provided by state agencies. These estimates may be revised during the course of the Legislature's consideration and adoption of a final budget. These estimates, together with known available cash balances, are further considered by the Governor and the Chief Justice of the Florida Supreme Court during the preparation of annual release (spending) plans. Further adjustments to the original budget's trust fund revenue estimates may be made to conform agency revenue estimates to actual and projected revenue streams.

The Governor's recommended budget is considered and amended by the Legislature and a final appropriations bill is then approved by the Legislature (subject to the line-item veto power of the Governor and override authority of the Legislature), this bill becomes the General Appropriations Act. The Governor and the Chief Justice of the Supreme Court may, under certain conditions and subject to the review and objection procedures set forth in Section 216.177, Florida Statutes, establish appropriations and corresponding releases for amounts not appropriated by the Legislature to agencies and the Judicial Branch, respectively. These appropriations are made primarily for non-operating disbursements, such as the purchase of investments and the transfer of money between state funds.

If circumstances warrant, the head of a department or the Chief Justice of the Supreme Court may transfer appropriations (other than fixed capital outlay appropriations) but only to the extent of 5 percent of the original appropriation or \$250,000, whichever is greater or within certain programs and between identical funding sources and specific appropriation categories. Transfers of general revenue appropriations in excess of 5 percent or \$250,000, whichever is greater, or for fixed capital outlay, or for transfers of general revenue appropriations not allowed within the departments' program flexibility may be approved by the Legislative Budget Commission. The Governor and the Chief Justice of the Supreme Court may approve changes of expenditure authority within any trust fund for agencies and the Judicial Branch, respectively, if the changes are less than \$1 million. The Legislative Budget Commission may approve trust fund changes in excess of \$1 million. At the end of the fiscal year, any balance of an operating appropriation which has not been disbursed but is expended (recorded as a payable) or contracted to be expended (recorded as a reserve for encumbrances in governmental fund types), may be carried forward into the next fiscal year.

The Chief Financial Officer approves disbursements in accordance with legislative authorizations. The budget is controlled at the account code level, which is defined as an appropriation category (e.g., salaries and benefits) and fund within a budget entity. The Governor and the Chief Financial Officer are responsible for detecting conditions which could lead to a deficit in any agency's funds and reporting that fact to the Legislative Budget Commission and the Chief Justice of the Supreme Court. The Constitution of the State, Article VII, Section 1(d), states, "Provision shall be made by law for raising sufficient revenue to defray the expenses of the state for each fiscal period."

#### **Budgetary Basis of Accounting**

The budgetary basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). Appropriations are made from funds that are prescribed by law. These legal basis fund types (known as state funds) are the General Revenue Fund, numerous trust funds, and the Budget Stabilization Fund. Certain moneys, known as local funds, available to agencies for their operations are maintained outside the State Treasury. Because the funds are located in banks outside of the State Treasury, budgetary authority and the disbursement of these funds are not controlled by the Chief Financial Officer. For example, the State Board of Administration operates from such funds.

The state presents budgetary comparison schedules for the General Fund and major special revenue funds as part of the other required supplementary information. In addition, budgetary comparison schedules for non-major special revenue funds which have legally adopted annual budgets are presented with other combining and individual fund statements and schedules.

Budgetary basis revenues are essentially reported on the cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except those for prior year carry/certified forwards, plus current year payables and encumbrances which are carried/certified forward into the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not carried/certified forward to be paid from the current year budget. The Lump Sum expenditure category presented in the budgetary comparison schedules is used as a budgetary tool to track moneys appropriated to a particular fund until subsequent allocations are made to other expenditure categories.

The presentation of budgetary comparison information for the major governmental fund for transportation excludes the State Transportation Trust Fund within the Department of Transportation because it accounts for projects of a multi-year nature, and comparison of actual annual expenditures to a multi-year appropriated amount is not meaningful. Appropriations are made in total the first year of a project even though they are released and expended over the period of construction for a project.

### **Budget to GAAP Reconciliation**

The budgetary comparison schedules for the General Fund and the major special revenue funds present comparisons of the original budget and final budget with actual revenues and expenditures on a budgetary basis. A budget to GAAP reconciliation is presented following the budgetary comparison schedules because accounting principles for budgetary basis differ significantly from those used to present financial statements in conformity with GAAP.

**OTHER REQUIRED SUPPLEMENTARY INFORMATION****FLORIDA RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS**  
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll <sup>(1)</sup> (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2005	\$ 111,539,878	\$ 103,925,498	\$ (7,614,380)	107.33%	\$ 24,185,983	(31.48%)
July 1, 2006	117,159,615	110,977,831	(6,181,784)	105.57%	25,327,922	(24.41%)
July 1, 2007	125,584,704	118,870,513	(6,714,191)	105.65%	26,385,768	(25.45%)
July 1, 2008	130,720,547	124,087,214	(6,633,333)	105.35%	26,891,340	(24.67%)
July 1, 2009	118,764,692	136,375,597	17,610,905	87.09%	26,573,196	66.27%
July 1, 2010	120,929,666	139,652,377	18,722,711	86.59%	25,765,362	72.67%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
(in thousands)

Year Ended 6/30	Annual Required Contributions	Percent Contributed
2005	\$ 2,141,862	102%
2006	2,193,928	96%
2007	2,455,255	111%
2008	2,612,672	107%
2009	2,535,854	111%
2010	2,447,374	111%

<sup>(1)</sup> Includes Deferred Retirement Option Program (DROP) Payroll.

**OTHER REQUIRED SUPPLEMENTARY INFORMATION**
**RETIREE HEALTH INSURANCE SUBSIDY PROGRAM SCHEDULE OF FUNDING PROGRESS**  
 (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2006	\$ 192,808	\$ 4,667,058	\$ 4,474,250	4.13%	\$ 27,712,320	16.15%
July 1, 2008	275,139	5,109,683	4,834,544	5.38%	30,665,477	15.77%
July 1, 2010	291,459	8,464,530	8,173,071	3.44%	31,717,281	25.77%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
 (in thousands)

Year Ended 6/30	Annual Required Contribution	Percent Contributed
2006	N/A <sup>(1)</sup>	N/A
2007	\$ 363,175	90%
2008	391,847	85%
2009	395,256	86%
2010	409,546	81%

<sup>(1)</sup> First valuation completed July 1, 2006, which determined ARC for FY 06-07.

**OTHER POSTEMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS\***  
 (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2007	\$ .....	\$ 3,081,834	\$ 3,081,834	0.00%	\$ 6,542,945	47.10%
July 1, 2008	.....	2,848,428	2,848,428	0.00%	6,492,858	43.87%
July 1, 2009	.....	4,831,107	4,831,107	0.00%	7,318,965	66.01%
July 1, 2010 <sup>(2)</sup>	.....	4,545,845	4,545,845	0.00%	7,574,317	60.02%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS\***  
 (in thousands)

Year Ended 6/30	Annual Required Contribution	Percent Contributed
2008	\$ 200,973	43.70%
2009	186,644	54.36%
2010	336,419	30.87%
2011	313,415	32.87%

\* This information relates to the cost-sharing plan as a whole, of which the State of Florida is one participating employer. The State of Florida's participation in both the actuarial accrued liability and the annual required contribution is approximately 76%.

<sup>(2)</sup> Update of the July 1, 2009 actuarial valuation. A new valuation was not performed.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

### INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, the state has adopted an alternative process to recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,082 centerline miles of roads and 6,647 bridges that the State is responsible for maintaining.

In order to utilize the modified approach, the state is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the state.
- Document that the assets are being preserved approximately at, or above, the established condition level.

#### Condition and Maintenance Programs

**Resurfacing Program:** Road pavements require periodic resurfacing. The frequency of resurfacing depends on the volume of traffic, type of traffic, pavement material variability, and weather conditions. Resurfacing preserves the structural integrity of highway pavements and includes pavement resurfacing, pavement rehabilitation, and minor reconstruction.

The Florida Department of Transportation (FDOT) conducts an annual Pavement Condition Survey. Pavements are rated on a scale of 0 to 10 (with 10 being the best) in each of three criteria: ride smoothness, pavement cracking, and wheel path rutting. Ride smoothness is what the motorist experiences. It directly affects motor vehicle operation costs. Pavement cracking refers to the structural deterioration of the pavement, which leads to loss of smoothness and deterioration of the road base by water seepage if not corrected. Wheel path rutting refers to depressions in pavement caused by heavy use. Ride smoothness and wheel path rutting are measured mechanically using lasers. Pavement cracking is determined through visual observation by experienced survey crews.

The condition rating scales were set by a statewide committee of pavement engineers, so that a pavement segment receiving a rating of six or less in any of the three rating criteria is designated a deficient pavement segment. In low-speed urban areas, the ride rating must drop to five or less before a pavement segment is considered deficient due to ride.

The FDOT standard is to ensure that 80% of the pavement on the State Highway System remains non-deficient.

**Bridge Repair/Replacement Program:** The FDOT Bridge Repair Program places primary emphasis on periodic maintenance and specified rehabilitation work activities on State Highway System bridge structures. The FDOT Bridge Replacement Program’s primary focus is on the replacement of structurally deficient or weight restricted bridges on the State Highway System. In addition, this program addresses bridges that require structural repair but which are more cost effective to replace.

The FDOT conducts bridge condition surveys using the National Bridge Inspection (NBI) Standards to determine condition ratings. Each bridge is inspected at least once every two years. During the inspection process, the major components such as deck, superstructure, and substructure are assigned a condition rating. The condition rating ranges from 0 to 9. A rating of 8 to 9 is very good to excellent which indicates that no repairs are necessary. A rating of 5 to 7 is fair to good which indicates that minor repairs are required. A rating below 5 identifies bridges needing major repairs or replacement. A rating of 4 or less indicates a condition of poor to failing and requires urgency in making repairs. A rating of 2 requires closure of the bridge and a rating of 1 is used for a bridge that is closed, but with corrective action may be put back into light service. A rating of 0 indicates that the bridge is out of service and beyond corrective action. In general, bridges that have a rating below 5 need major repairs or replacement. However, in isolated cases, bridges with a rating of 5 or greater can judgmentally be determined to need major repairs.

The FDOT standard is to ensure that 90% of all department maintained bridges do not need major repairs or replacement.

**Routine Maintenance Program:** The FDOT is responsible for managing and performing routine maintenance on the State Highway System to help preserve the condition of the highway system. Routine maintenance includes many activities, such as: highway repair, roadside upkeep, emergency response, maintaining signs, roadway striping, and keeping storm drains clear and structurally sound.

The quality and effectiveness of the routine maintenance program is monitored by quarterly surveys, using the Maintenance Rating Program (MRP), which result in an annual assessment. The MRP has been used since 1985 to evaluate routine maintenance of the transportation system in five broad categories, or elements. The five rating elements are roadway, roadside, vegetation/aesthetics, traffic services, and drainage. The MRP provides a maintenance rating of 1 to 100 for each category and overall.

The FDOT standard is to achieve and maintain an overall maintenance rating of 80.

### Condition Rating for the State Highway System

Percentage of pavement meeting FDOT standards

<u>2011</u>	<u>2010</u>	<u>2009</u>
89%	88%	86%

Percentage of bridges meeting FDOT standards

<u>2011</u>	<u>2010</u>	<u>2009</u>
95%	95%	95%

### Maintenance Rating

<u>2011</u>	<u>2010</u>	<u>2009</u>
87	86	87

### Comparison of Needed-to-Actual Maintenance/Preservation (in millions)

#### Resurfacing Program

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Needed	\$751.5	\$727.2	\$871.5	\$718.0	\$898.1
Actual	543.9	422.0	575.3	584.5	851.1

#### Bridge Repair/Replacement Program

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Needed	\$315.7	\$231.0	\$230.4	\$250.3	\$273.4
Actual	328.8	134.8	207.3	250.3	121.7

#### Routine Maintenance Program

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Needed	\$580.5	\$572.4	\$508.2	\$492.6	\$463.7
Actual	676.1	655.8	571.5	507.1	479.2

The FDOT determines its program needs based on a five-year plan. The needed amounts provided above are for estimated expenses and commitments relating to projects within the plan at the time of the budget request. The nature of a long-term plan is that it is continually changing. Projects are added, deleted, adjusted, or postponed. The differences between the needed and actual amounts above reflect these changes.

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**FINANCIAL  
SECTION:  
COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND  
SCHEDULES  
NONMAJOR FUNDS**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Individual fund descriptions and financial statements begin on page 167.

### **CAPITAL PROJECTS FUNDS**

Individual fund descriptions and financial statements begin on page 195.

### **DEBT SERVICE FUND**

This fund, administered by the State Board of Administration, a blended component unit, is used to account for resources earmarked to pay principal, interest, and service charges on general long-term debt of the State.

### **PERMANENT FUNDS**

Funds in this category include those administered by the Fish and Wildlife Conservation Commission, used to support fish and wildlife conservation programs of the State, in accordance with Section 379.207, Florida Statutes. The primary source of the principal of the funds includes proceeds of gifts, grants, contributions, and the sale of lifetime licenses. Also included in this category are various private scholarship funds administered by the Department of Education and used to pay scholarship awards as specified by the contributors. Only the interest income received and accrued from the investments of these funds can be used. No disbursement is made from the principal of the funds.

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011  
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/11
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 38,749	\$ .....	\$ 6,466	\$ 158	\$ 45,373
Pooled investments with State Treasury	1,511,598	6,468	.....	11,421	1,529,487
Other Investments	293,714	.....	36,100	2,157	331,971
Receivables, net	380,912	9	638	22	381,581
Due from other funds	52,990	9,087	.....	.....	62,077
Inventories	1,781	.....	.....	.....	1,781
Other	799	.....	.....	.....	799
Total current assets	2,280,543	15,564	43,204	13,758	2,353,069
<b>Noncurrent assets</b>					
Long-term investments	8,473	.....	243,608	.....	252,081
Advances to other entities	25,752	.....	.....	.....	25,752
Other loans and notes receivable, net	1,062,888	.....	.....	.....	1,062,888
Total noncurrent assets	1,097,113	.....	243,608	.....	1,340,721
Total assets	\$ 3,377,656	\$ 15,564	\$ 286,812	\$ 13,758	\$ 3,693,790
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$ 217,740	\$ 652	\$ .....	\$ .....	\$ 218,392
Due to other funds	99,137	9	25	206	99,377
Due to component units/primary	2,657	.....	.....	.....	2,657
Compensated absences	1,934	.....	.....	.....	1,934
Claims payable	8,439	.....	.....	.....	8,439
Deposits	87,850	.....	.....	.....	87,850
Deferred revenues	48,342	.....	.....	.....	48,342
Obligations under security lending agreements	112,665	474	.....	1,237	114,376
Total current liabilities	578,764	1,135	25	1,443	581,367
<b>Noncurrent liabilities</b>					
Advances from other funds	625	.....	.....	.....	625
Deposits	25,752	.....	.....	.....	25,752
Deferred revenues	17,675	.....	.....	.....	17,675
Other	879	.....	.....	.....	879
Total noncurrent liabilities	44,931	.....	.....	.....	44,931
Total liabilities	623,695	1,135	25	1,443	626,298
<b>Fund balances</b>					
Nonspendable	1,922	.....	.....	12,071	13,993
Restricted	1,638,956	1,181	286,787	.....	1,926,924
Committed	1,113,083	13,248	.....	244	1,126,575
Total fund balances	2,753,961	14,429	286,787	12,315	3,067,492
Total liabilities and fund balances	\$ 3,377,656	\$ 15,564	\$ 286,812	\$ 13,758	\$ 3,693,790

# 2011 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/11
<b>REVENUES</b>					
Taxes	\$ 200,706	\$ .....	\$ .....	\$ .....	\$ 200,706
Licenses and permits	962,746	.....	.....	2,706	965,452
Fees and charges	834,070	.....	97,008	.....	931,078
Grants and donations	1,846,227	.....	.....	.....	1,846,227
Investment earnings	56,776	92	15,127	450	72,445
Fines, forfeits, settlements and judgments	966,439	.....	.....	.....	966,439
Other	69,883	.....	22,651	.....	92,534
Total revenues	4,936,847	92	134,786	3,156	5,074,881
<b>EXPENDITURES</b>					
Current:					
General government	2,517,520	2,131	60,409	.....	2,580,060
Education	182,076	2,358	.....	86	184,520
Human services	401,188	1,401	.....	.....	402,589
Criminal justice and corrections	951,513	58,961	.....	.....	1,010,474
Natural resources and environment	822,079	.....	.....	.....	822,079
State courts	377,911	.....	.....	.....	377,911
Capital outlay	49,169	22,510	.....	.....	71,679
Debt service:					
Principal retirement	2,513	2,835	1,134,537	.....	1,139,885
Interest and fiscal charges	70	.....	1,047,251	.....	1,047,321
Total expenditures	5,304,039	90,196	2,242,197	86	7,636,518
Excess (deficiency) of revenues over expenditures	(367,192)	(90,104)	(2,107,411)	3,070	(2,561,637)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of bond issues	235,681	.....	28,858	.....	264,539
Proceeds of refunding bonds	.....	.....	1,540,777	.....	1,540,777
Operating transfers in	1,560,165	86,020	2,162,330	.....	3,808,515
Operating transfers out	(1,551,792)	(56,442)	(44,029)	(1,658)	(1,653,921)
Payments to refunded bond agent	.....	.....	(1,540,777)	.....	(1,540,777)
Total other financing sources (uses)	244,054	29,578	2,147,159	(1,658)	2,419,133
Net change in fund balances	(123,138)	(60,526)	39,748	1,412	(142,504)
Fund balances - beginning	2,877,099	74,955	247,039	10,903	3,209,996
Fund balances - ending	\$ 2,753,961	\$ 14,429	\$ 286,787	\$ 12,315	\$ 3,067,492

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## NONMAJOR SPECIAL REVENUE FUNDS

### EMPLOYMENT SERVICES

This fund includes internal reporting funds used for employee-service related programs of an administrative nature (non risk-related), such as workers' compensation, employment security, and labor market statistics.

### GOVERNMENT ADMINISTRATION

This fund includes internal reporting special revenue funds primarily administered by the Department of State, Department of Management Services, and Department of Financial Services.

### BUSINESS AND COMMUNITY DEVELOPMENT

This fund includes internal reporting special revenue funds primarily administered by the Executive Office of the Governor and the Department of Community Affairs.

### REGULATION AND LICENSING

This fund includes internal reporting special revenue funds primarily administered by the Department of Business and Professional Regulation, Department of Highway Safety and Motor Vehicles, and Department of Financial Services.

### TOBACCO SETTLEMENT

This fund includes internal reporting special revenue funds established to account for the settlement of *State of Florida, et al., v. American Tobacco Company, et al.*, Case No. 95-1466 AH, filed in the Fifteenth Judicial Circuit, in and for Palm Beach County Florida.

### PUBLIC SAFETY

This fund includes internal reporting special revenue funds primarily administered by the Department of Law Enforcement, Department of Highway Safety and Motor Vehicles, Department of Legal Affairs, and Department of Military Affairs.

### CORRECTIONS

This fund includes internal reporting special revenue funds administered by the Department of Corrections.

### CONSUMER PROTECTION AND SAFETY

This fund includes internal reporting special revenue funds primarily administered by the Department of Community Affairs, Department of Legal Affairs, and Department of Financial Services.

### AGRICULTURE

This fund includes internal reporting special revenue funds administered by the Department of Agriculture and Consumer Services.

### JUVENILE JUSTICE

This fund includes internal reporting special revenue funds administered by the Department of Juvenile Justice.

### JUDICIAL SERVICES

This fund includes internal reporting special revenue funds primarily administered by the Justice Administrative Commission and the State Courts System.

### MILITARY AND VETERANS' AFFAIRS

This fund includes internal reporting special revenue funds administered by the Department of Military Affairs and Department of Veterans' Affairs.

### BLENDED COMPONENT UNITS

#### FLORIDA CLERKS OF COURT OPERATIONS CORPORATION

Pursuant to Section 28.35, Florida Statutes, this entity was created to recommend legislative changes in various court related fines, fees, service charges, and court costs, establish a process for reviewing and certification of proposed court-related budgets submitted by the clerks of court and establishing a system of uniform performance measures and standards for the clerks.

#### FLORIDA CITRUS COMMISSION

As authorized in Section 601.04, Florida Statutes, this entity was established to primarily promote the general welfare of the Florida citrus industry.

#### STATE BOARD OF ADMINISTRATION

This entity includes the following internal reporting special revenue funds administered by the State Board of Administration: Gas Tax Clearing Accounts and the Insurance Capital Build-up Program.

#### FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

As authorized in Section 1002.36, Florida Statutes, this entity is a State-supported residential school for hearing-impaired and visually impaired students in preschool through 12th grade.

#### WIRELESS EMERGENCY TELEPHONE SYSTEM

As authorized in Section 365.172, Florida Statutes, this entity was established to promote a comprehensive statewide emergency telephone number system that will provide wireless telephone users with rapid direct access to public safety agencies.

#### WORKFORCE FLORIDA INC

This not-for-profit entity was created pursuant to Section 445.004, Florida Statutes, as the principal workforce policy organization for the State and the regional workforce boards.

#### FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION

Pursuant to Section 403.1837, Florida Statutes, this entity was created to finance the costs of water pollution control projects and activities described in Sections 403.1835 and 403.8532, Florida Statutes.

#### INLAND PROTECTION FINANCING CORPORATION

Pursuant to Section 376.3075, Florida Statutes, this entity was created to finance the rehabilitation of petroleum contamination sites pursuant to Sections 376.30-376.317, Florida Statutes, and the payment, purchase and settlement of reimbursement obligations of the Department of Environmental Protection pursuant to Section 376.3071(12), Florida Statutes.

#### FLORIDA SURPLUS LINES SERVICE OFFICE

Pursuant to Section 626.921, Florida Statutes, this entity was created to establish a system that would permit better access by consumers to approved unauthorized insurers.

#### CORRECTIONS FOUNDATION INC

This entity was organized to initiate developmental projects; raise funds; request and receive grants, gifts, and bequests; acquire, receive, hold, invest and administer securities, funds, or other property as authorized by Section 944.802, Florida Statutes.

#### SCRIPPS FLORIDA FUNDING CORPORATION

Pursuant to Section 288.955, Florida Statutes, this entity was created to facilitate the establishment and operation of a biomedical research institution for the purposes of enhancing education and research and promoting economic development and diversity.

#### SPACE FLORIDA

Pursuant to Section 331.302, Florida Statutes, this entity was created to promote aerospace business development by facilitating business financing, spaceport operations, research and development, workforce development, and innovative education programs.

**2011 STATE OF FLORIDA CAFR**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2011  
(in thousands)**

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 884	\$ ..... 20	\$ 148	
Pooled investments with State Treasury	314,397	111,555	47,758	235,732
Other Investments	2,870	.....	134,179	.....
Receivables, net	115,249	634	77,291	8,882
Due from other funds	3,709	271	8,235	4,713
Inventories	.....	.....	.....	253
Other	.....	.....	.....	124
Total current assets	437,109	112,460	267,483	249,852
<b>Noncurrent assets</b>				
Long-term investments	.....	.....	100	.....
Advances to other entities	.....	.....	25,752	.....
Other loans and notes receivable, net	9,455	.....	2,313	.....
Total noncurrent assets	9,455	.....	28,165	.....
Total assets	\$ 446,564	\$ 112,460	\$ 295,648	\$ 249,852
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$ 74,319	\$ 5,179	\$ 15,992	\$ 3,855
Due to other funds	7,509	522	1,868	29,897
Due to component units/primary	699	.....	9	6
Compensated absences	245	134	64	280
Claims payable	8,439	.....	.....	.....
Deposits	3,691	226	6,755	71,172
Deferred revenues	.....	16	28,581	40
Obligations under security lending agreements	31,392	10,830	1,197	14,810
Total current liabilities	126,294	16,907	54,466	120,060
<b>Noncurrent liabilities</b>				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	25,752	.....
Deferred revenues	.....	.....	.....	.....
Other	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	25,752	.....
Total liabilities	126,294	16,907	80,218	120,060
<b>Fund balances</b>				
Nonspendable	.....	.....	.....	377
Restricted	175,708	69,179	6,514	4,599
Committed	144,562	26,374	208,916	124,816
Total fund balances	320,270	95,553	215,430	129,792
Total liabilities and fund balances	\$ 446,564	\$ 112,460	\$ 295,648	\$ 249,852

**2011 STATE OF FLORIDA CAFR**

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Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ ..... 63,873	\$ 57 72,269	\$ 30,214	\$ 17 68,831	\$ 524 76,218	\$ 92 32,049
.....	.....	.....	.....	.....	.....
65	14,258	427	9,009	5,025	12,374
.....	6,262	1,522	2,008	1,784	708
.....	.....	.....	.....	1,299	.....
.....	.....	.....	.....	.....	.....
<b>63,938</b>	<b>92,846</b>	<b>32,163</b>	<b>79,865</b>	<b>84,850</b>	<b>45,223</b>
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
<b>\$ 63,938</b>	<b>\$ 92,846</b>	<b>\$ 32,163</b>	<b>\$ 79,865</b>	<b>\$ 84,850</b>	<b>\$ 45,223</b>
.....	.....	.....	.....	.....	.....
\$ 13,855	\$ 16,020	\$ 1,613	\$ 3,580	\$ 6,493	\$ 9,576
2,383	5,876	17,423	4,936	2,856	2,587
1,792	1	.....	.....	11	26
.....	57	1	15	91	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	4,706	1,127
.....	1,686	.....	3,537	7,285	7,081
3,608	2,085	.....	2,409	7,389	558
<b>21,638</b>	<b>25,725</b>	<b>19,037</b>	<b>14,477</b>	<b>28,831</b>	<b>20,955</b>
.....	625	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	6,112	.....	1,186	.....	.....
.....	.....	.....	.....	.....	879
.....	6,737	.....	1,186	.....	879
<b>21,638</b>	<b>32,462</b>	<b>19,037</b>	<b>15,663</b>	<b>28,831</b>	<b>21,834</b>
.....	.....	.....	.....	1,299	.....
30,388	4,204	3,433	16,539	8,063	12,883
11,912	56,180	9,693	47,663	46,657	10,506
<b>42,300</b>	<b>60,384</b>	<b>13,126</b>	<b>64,202</b>	<b>56,019</b>	<b>23,389</b>
<b>\$ 63,938</b>	<b>\$ 92,846</b>	<b>\$ 32,163</b>	<b>\$ 79,865</b>	<b>\$ 84,850</b>	<b>\$ 45,223</b>

**2011 STATE OF FLORIDA CAFR**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2011  
(in thousands)**

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and cash equivalents	\$ 32	\$ 1,446	\$ ..... 552	\$ 847 28,865
Pooled investments with State Treasury	83,790	56,662	552	28,865
Other Investments	.....	.....	.....	.....
Receivables, net	650	4,572	.....	3,053
Due from other funds	1,600	86	.....	.....
Inventories	.....	.....	.....	226
Other	30	.....	.....	33
Total current assets	86,102	62,766	552	33,024
<b><u>Noncurrent assets</u></b>				
Long-term investments	.....	.....	.....	.....
Advances to other entities	.....	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	.....
Total noncurrent assets	.....	.....	.....	.....
Total assets	\$ 86,102	\$ 62,766	\$ 552	\$ 33,024
<b>LIABILITIES AND FUND BALANCES</b>				
<b><u>Current liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 4,261	\$ 3,327	\$ 115	\$ 6,686
Due to other funds	12,093	598	32	739
Due to component units/primary	.....	.....	.....	113
Compensated absences	168	817	4	3
Claims payable	.....	.....	.....	.....
Deposits	173	.....	.....	.....
Deferred revenues	.....	.....	.....	.....
Obligations under security lending agreements	.....	4,361	.....	3,095
Total current liabilities	16,695	9,103	151	10,636
<b><u>Noncurrent liabilities</u></b>				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....
Other	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	.....	.....
Total liabilities	16,695	9,103	151	10,636
<b><u>Fund balances</u></b>				
Nonspendable	.....	.....	.....	230
Restricted	12,664	6,855	.....	22,005
Committed	56,743	46,808	401	153
Total fund balances	69,407	53,663	401	22,388
Total liabilities and fund balances	\$ 86,102	\$ 62,766	\$ 552	\$ 33,024

**2011 STATE OF FLORIDA CAFR**

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Blended Component Units						
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp	
\$ 345	\$ 82	\$ .....	\$ 11,440	\$ .....	\$ .....	\$ .....
.....	1,586	34,727	.....	252,520	.....	.....
5,957	10,551	.....	.....	63,991	1	.....
10,829	43	12,128	1,063	98,477	.....	.....
16,658	177	.....	.....	5,257	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	53	.....	.....	.....
<b>33,789</b>	<b>12,439</b>	<b>46,855</b>	<b>12,556</b>	<b>420,245</b>	<b>1</b>	
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
<b>173,890</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>876,504</b>	<b>.....</b>	
<b>173,890</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>876,504</b>	<b>.....</b>	
<b>\$ 207,679</b>	<b>\$ 12,439</b>	<b>\$ 46,855</b>	<b>\$ 12,556</b>	<b>\$ 1,296,749</b>	<b>\$ 1</b>	
.....	.....	.....	.....	.....	.....	.....
\$ 16,662	\$ 492	\$ 26,065	\$ 1,467	\$ .....	\$ .....	\$ .....
5,211	.....	10	.....	4,597	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	3,582	.....	27,348	.....	.....
<b>21,873</b>	<b>492</b>	<b>29,657</b>	<b>1,467</b>	<b>31,945</b>	<b>.....</b>	
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	10,377	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	10,377	.....	.....	.....
<b>21,873</b>	<b>492</b>	<b>29,657</b>	<b>11,844</b>	<b>31,945</b>	<b>.....</b>	
.....	.....	.....	.....	.....	.....	.....
.....	2,592	.....	712	1,262,584	.....	.....
185,806	9,355	17,198	.....	2,220	1	.....
185,806	11,947	17,198	712	1,264,804	1	.....
<b>\$ 207,679</b>	<b>\$ 12,439</b>	<b>\$ 46,855</b>	<b>\$ 12,556</b>	<b>\$ 1,296,749</b>	<b>\$ 1</b>	

**2011 STATE OF FLORIDA CAFR**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2011  
(in thousands)**

Blended Component Units

	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Space Florida	Totals 6/30/11
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 14,743	\$ 558	\$ 1,032	\$ 6,482	\$ 38,749
Pooled investments with State Treasury	.....	.....	.....	.....	1,511,598
Other Investments	380	.....	72,588	3,197	293,714
Receivables, net	49	27	.....	6,807	380,912
Due from other funds	.....	.....	.....	.....	52,990
Inventories	.....	3	.....	.....	1,781
Other	12	.....	13	534	799
Total current assets	15,184	588	73,633	17,020	2,280,543
<b>Noncurrent assets</b>					
Long-term investments	8,373	.....	.....	.....	8,473
Advances to other entities	.....	.....	.....	.....	25,752
Other loans and notes receivable, net	.....	.....	.....	726	1,062,888
Total noncurrent assets	8,373	.....	.....	726	1,097,113
Total assets	\$ 23,557	\$ 588	\$ 73,633	\$ 17,746	\$ 3,377,656
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$ 396	\$ 4	\$ 5,593	\$ 2,190	\$ 217,740
Due to other funds	.....	.....	.....	.....	99,137
Due to component units/primary	.....	.....	.....	.....	2,657
Compensated absences	.....	.....	.....	55	1,934
Claims payable	.....	.....	.....	.....	8,439
Deposits	.....	.....	.....	.....	87,850
Deferred revenues	.....	.....	.....	116	48,342
Obligations under security lending agreements	.....	.....	1	.....	112,665
Total current liabilities	396	4	5,594	2,361	578,764
<b>Noncurrent liabilities</b>					
Advances from other funds	.....	.....	.....	.....	625
Deposits	.....	.....	.....	.....	25,752
Deferred revenues	.....	.....	.....	.....	17,675
Other	.....	.....	.....	.....	879
Total noncurrent liabilities	.....	.....	.....	.....	44,931
Total liabilities	396	4	5,594	2,361	623,695
<b>Fund balances</b>					
Nonspendable	.....	3	13	.....	1,922
Restricted	.....	34	.....	.....	1,638,956
Committed	23,161	547	68,026	15,385	1,113,083
Total fund balances	23,161	584	68,039	15,385	2,753,961
Total liabilities and fund balances	\$ 23,557	\$ 588	\$ 73,633	\$ 17,746	\$ 3,377,656

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**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
<b>REVENUES</b>				
Taxes	\$ .....	\$ .....	\$ .....	\$ 158,613
Licenses and permits	.....	.....	.....	938,455
Fees and charges	71,792	27,175	4,160	89,957
Grants and donations	841,574	18,229	477,629	3
Investment earnings	6,700	2,388	4,532	2,905
Fines, forfeits, settlements and judgments	13,358	.....	.....	6,756
Other	4,431	27	22,662	1,425
Total revenues	<b>937,855</b>	<b>47,819</b>	<b>508,983</b>	<b>1,198,114</b>
<b>EXPENDITURES</b>				
Current:				
General government	1,541,223	119,519	174,169	185,624
Education	173,783	.....	.....	.....
Human services	.....	.....	.....	.....
Criminal justice and corrections	.....	.....	.....	.....
Natural resources and environment	.....	.....	451,908	.....
State courts	.....	.....	.....	.....
Capital outlay	3,528	2,876	1,226	1,130
Debt service:				
Principal retirement	.....	25	.....	1,561
Interest and fiscal charges	.....	.....	.....	33
Total expenditures	<b>1,718,534</b>	<b>122,420</b>	<b>627,303</b>	<b>188,348</b>
Excess (deficiency) of revenues over expenditures	<b>(780,679)</b>	<b>(74,601)</b>	<b>(118,320)</b>	<b>1,009,766</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of bond issues	.....	.....	.....	.....
Operating transfers in	781,887	83,036	62,111	75,352
Operating transfers out	(109,012)	(2,848)	(33,382)	(1,071,532)
Total other financing sources (uses)	<b>672,875</b>	<b>80,188</b>	<b>28,729</b>	<b>(996,180)</b>
Net change in fund balances	<b>(107,804)</b>	<b>5,587</b>	<b>(89,591)</b>	<b>13,586</b>
Fund balances - beginning	<b>428,074</b>	<b>89,966</b>	<b>305,021</b>	<b>116,206</b>
Fund balances - ending	<b>\$ 320,270</b>	<b>\$ 95,553</b>	<b>\$ 215,430</b>	<b>\$ 129,792</b>

**2011 STATE OF FLORIDA CAFR**

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Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ ..... ..... ..... ..... 958 366,910 233	\$ ..... 83,840 60,071 447 43,447 983	\$ ..... 6,516 17,762 73 8 29,931	\$ ..... 2,935 138,326 461 13,304 4,409	\$ ..... 23,687 75,706 154,774 1,448 5,027 2,235	\$ ..... ..... 83,954 5,009 107 2,038 55
<b>368,101</b>	<b>188,788</b>	<b>54,290</b>	<b>159,435</b>	<b>262,877</b>	<b>91,163</b>
56 ..... 344,612 ..... ..... ..... 3,524	26,097 ..... 160,785 84 ..... 4,866	..... ..... 24,340 ..... 5,390	2,670 ..... 59,056 78,652 ..... 735	..... ..... ..... 291,435 ..... 5,056	..... ..... 170,511 ..... ..... 290
..... 920 ..... 34	..... ..... ..... .....	..... ..... ..... .....	..... ..... ..... .....	..... ..... ..... .....	..... ..... ..... .....
<b>348,192</b>	<b>192,786</b>	<b>29,730</b>	<b>141,113</b>	<b>296,491</b>	<b>170,801</b>
<b>19,909</b>	<b>(3,998)</b>	<b>24,560</b>	<b>18,322</b>	<b>(33,614)</b>	<b>(79,638)</b>
..... 17,104 (43,302) (26,198) (6,289) 48,589	..... 41,833 (24,843) 16,990 12,992 47,392	..... 16,926 (31,769) (14,843) 9,717 3,409	..... 29,365 (56,414) (27,049) (8,727) 72,929	..... 40,622 (8,148) 32,474 (1,140) 57,159	..... 76,768 (4,575) 72,193 (7,445) 30,834
<b>\$ 42,300</b>	<b>\$ 60,384</b>	<b>\$ 13,126</b>	<b>\$ 64,202</b>	<b>\$ 56,019</b>	<b>\$ 23,389</b>

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
<b>REVENUES</b>				
Taxes	\$ .....	\$ .....	\$ .....	\$ 42,093
Licenses and permits	604	.....	.....	.....
Fees and charges	220,082	38,613	1,909	30
Grants and donations	13,959	71,896	.....	5,363
Investment earnings	.....	812	.....	489
Fines, forfeits, settlements and judgments	515,541	.....	.....	.....
Other	1,280	334	.....	6
Total revenues	751,466	111,655	1,909	47,981
<b>EXPENDITURES</b>				
Current:				
General government	415	41,265	.....	46,047
Education	.....	.....	.....	.....
Human services	.....	56,576	.....	.....
Criminal justice and corrections	534,615	.....	1,353	.....
Natural resources and environment	.....	.....	.....	.....
State courts	377,911	.....	.....	.....
Capital outlay	4,194	15,982	1	337
Debt service:				
Principal retirement	7	.....	.....	.....
Interest and fiscal charges	3	.....	.....	.....
Total expenditures	917,145	113,823	1,354	46,384
Excess (deficiency) of revenues over expenditures	(165,679)	(2,168)	555	1,597
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of bond issues	.....	.....	.....	.....
Operating transfers in	126,052	9,651	.....	.....
Operating transfers out	(76,271)	(1,136)	(154)	(1,743)
Total other financing sources (uses)	49,781	8,515	(154)	(1,743)
Net change in fund balances	(115,898)	6,347	401	(146)
Fund balances - beginning	185,305	47,316	.....	22,534
Fund balances - ending	\$ 69,407	\$ 53,663	\$ 401	\$ 22,388

**2011 STATE OF FLORIDA CAFR**

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Blended Component Units						
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp	
\$ ..... ..... ..... ..... 9,489 50 .....	\$ ..... ..... 1,097 ..... 2,349 308 .....	\$ ..... ..... 122,751 ..... 870 ..... 123,621	\$ ..... ..... ..... 12,539 ..... ..... 12,539	\$ ..... ..... ..... ..... 24,616 ..... .....	\$ ..... ..... ..... ..... ..... ..... .....	.....
<b>9,539</b>	<b>3,754</b>	<b>123,621</b>	<b>12,539</b>	<b>24,616</b>		
193,498 ..... ..... ..... ..... ..... ..... ..... ..... ..... 193,498 .....	..... 8,293 ..... ..... ..... ..... 34 ..... ..... .....	126,635 ..... ..... ..... ..... ..... ..... 126,635 .....	12,523 ..... ..... ..... ..... ..... ..... 12,523 .....	312 ..... ..... ..... ..... ..... ..... 312 .....	..... ..... ..... ..... ..... ..... ..... ..... .....	.....
<b>(183,959)</b>	<b>(4,573)</b>	<b>(3,014)</b>	<b>16</b>	<b>24,304</b>		
193,709 (27,762) 165,947 (18,012) 203,818 \$ 185,806	5,738 (2) 5,736 1,163 10,784 \$ 11,947	..... (68) (68) (3,082) 20,280 17,198	..... ..... ..... 16 696 \$ 712	235,681 11 176,861 201,165 1,063,639 1,264,804 \$ 1	..... ..... ..... ..... ..... .....	.....

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Blended Component Units

	<u>Surplus Lines</u>	<u>Corrections Foundation Inc</u>	<u>Scripps Florida Funding Corp</u>	<u>Space Florida</u>	<u>Totals 6/30/11</u>
<b>REVENUES</b>					
Taxes	\$ .....	\$ .....	\$ .....	\$ .....	\$ 200,706
Licenses and permits	.....	.....	.....	.....	962,746
Fees and charges	3,553	.....	.....	.....	834,070
Grants and donations	.....	930	.....	25,814	1,846,227
Investment earnings	173	.....	.....	.....	56,776
Fines, forfeits, settlements and judgments	.....	.....	.....	.....	966,439
Other	108	.....	1,764	.....	69,883
Total revenues	3,834	930	1,764	25,814	4,936,847
<b>EXPENDITURES</b>					
Current:					
General government	5,644	.....	28,130	13,693	2,517,520
Education	.....	.....	.....	.....	182,076
Human services	.....	.....	.....	.....	401,188
Criminal justice and corrections	.....	853	.....	.....	951,513
Natural resources and environment	.....	.....	.....	.....	822,079
State courts	.....	.....	.....	.....	377,911
Capital outlay	.....	.....	.....	.....	49,169
Debt service:					
Principal retirement	.....	.....	.....	.....	2,513
Interest and fiscal charges	.....	.....	.....	.....	70
Total expenditures	5,644	853	28,130	13,693	5,304,039
Excess (deficiency) of revenues over expenditures	(1,810)	77	(26,366)	12,121	(367,192)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds of bond issues	.....	.....	.....	.....	235,681
Operating transfers in	.....	.....	.....	.....	1,560,165
Operating transfers out	.....	.....	.....	.....	(1,551,792)
Total other financing sources (uses)	.....	.....	.....	.....	244,054
Net change in fund balances	(1,810)	77	(26,366)	12,121	(123,138)
Fund balances - beginning	24,971	507	94,405	3,264	2,877,099
Fund balances - ending	\$ 23,161	\$ 584	\$ 68,039	\$ 15,385	\$ 2,753,961

**2011 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

<b>Employment Services</b>			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 188,728	\$ 188,728	\$ .....
Reversions	46,366	46,366	.....
Fund Balances, July 1, 2010, restated	<u>235,094</u>	<u>235,094</u>	.....
<b>REVENUES</b>			
Fees and charges	78,584	95,076	16,492
Licenses	901	944	43
Miscellaneous	600	350	(250)
Interest	6,117	7,314	1,197
Grants	956,900	838,784	(118,116)
Refunds	5,294	9,798	4,504
Transfers and distributions	865,351	786,777	(78,574)
Other	12,190	13,020	830
Total Revenues	<u>1,925,937</u>	<u>1,752,063</u>	(173,874)
Total Available Resources	<u>2,161,031</u>	<u>1,987,157</u>	(173,874)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	145,375	135,004	10,371
Other personal services	20,912	16,217	4,695
Expenses	43,276	39,047	4,229
Grants and aids	5,022	3,860	1,162
Operating capital outlay	1,856	1,045	811
Food products	200	101	99
Special categories	1,593,194	1,478,009	115,185
Data processing services	5,021	3,509	1,512
Total Operating Expenditures	<u>1,814,856</u>	<u>1,676,792</u>	138,064
Nonoperating expenditures:			
Transfers	73,168	73,168	.....
Refunds	1,334	1,334	.....
Other	103,540	103,540	.....
Total Nonoperating Expenditures	<u>178,042</u>	<u>178,042</u>	.....
Total Expenditures	<u>1,992,898</u>	<u>1,854,834</u>	138,064
Fund Balances, June 30, 2011	<u>\$ 168,133</u>	<u>\$ 132,323</u>	<u>\$ (35,810)</u>

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**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
(in thousands)

Government Administration			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 84,778	\$ 84,778	\$ ..... .....
Reversions	157	157	.....
Fund Balances, July 1, 2010, restated	<u>84,935</u>	<u>84,935</u>	.....
<b>REVENUES</b>			
Fees and charges	97,154	68,457	(28,697)
Interest	2,344	1,961	(383)
Grants	18,266	18,940	674
Refunds	26	233	207
Transfers and distributions	12,785	40,954	28,169
Other	.....	6	6
Total Revenues	<u>130,575</u>	<u>130,551</u>	(24)
Total Available Resources	<u>215,510</u>	<u>215,486</u>	(24)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	36,136	35,097	1,039
Other personal services	2,573	2,001	572
Expenses	8,680	7,216	1,464
Grants and aids	3,280	3,280	.....
Operating capital outlay	216	168	48
Fixed capital outlay	568	568	.....
Special categories	85,139	74,155	10,984
Data processing services	976	256	720
Total Operating Expenditures	<u>137,568</u>	<u>122,741</u>	14,827
Nonoperating expenditures:			
Transfers	3,014	3,014	.....
Refunds	39	39	.....
Other	718	718	.....
Total Nonoperating Expenditures	<u>3,771</u>	<u>3,771</u>	.....
Total Expenditures	<u>141,339</u>	<u>126,512</u>	14,827
Fund Balances, June 30, 2011	<u>\$ 74,171</u>	<u>\$ 88,974</u>	<u>\$ 14,803</u>

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Business and Community Development			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 61,632	\$ 61,632	\$ ..... .....
Reversions	113,442	113,442	.....
Fund Balances, July 1, 2010, restated	<u>175,074</u>	<u>175,074</u>	.....
<b>REVENUES</b>			
Fees and charges	4,187	4,148	(39)
Interest	1,775	826	(949)
Grants	905,289	503,754	(401,535)
Refunds	22,251	22,459	208
Transfers and distributions	67,220	60,004	(7,216)
Other	1,705	1,682	(23)
Total Revenues	<u>1,002,427</u>	<u>592,873</u>	(409,554)
Total Available Resources	<u>1,177,501</u>	<u>767,947</u>	(409,554)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	12,400	10,778	1,622
Other personal services	4,479	3,622	857
Expenses	4,452	2,584	1,868
Grants and aids	5,597	5,522	75
Operating capital outlay	40	8	32
Fixed capital outlay	1,847	1,847	.....
Special categories	562,329	487,976	74,353
Continuing Appropriations	1,042	1,042	.....
Grants/aid to local governments	196,609	196,609	.....
Data processing services	103	.....	103
Total Operating Expenditures	<u>788,898</u>	<u>709,988</u>	<u>78,910</u>
Nonoperating expenditures:			
Transfers	9,553	9,553	.....
Refunds	1,449	1,449	.....
Other	492	492	.....
Total Nonoperating Expenditures	<u>11,494</u>	<u>11,494</u>	.....
Total Expenditures	<u>800,392</u>	<u>721,482</u>	<u>78,910</u>
Fund Balances, June 30, 2011	<u>\$ 377,109</u>	<u>\$ 46,465</u>	<u>\$ (330,644)</u>

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Regulation and Licensing			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 221,693	\$ 221,693	\$ ..... .....
Reversions	1,290	1,290	..... .....
Fund Balances, July 1, 2010, restated	<u>222,983</u>	<u>222,983</u>	.....
<b>REVENUES</b>			
Fees and charges	120,002	126,843	6,841
Licenses	994,479	959,431	(35,048)
Taxes	177,602	162,366	(15,236)
Miscellaneous	1,277	328	(949)
Interest	555	2,826	2,271
Grants	.....	3	3
Refunds	583	1,686	1,103
Transfers and distributions	11,746	55,307	43,561
Other	5,819	7,360	1,541
Total Revenues	<u>1,312,063</u>	<u>1,316,150</u>	<u>4,087</u>
Total Available Resources	<u>1,535,046</u>	<u>1,539,133</u>	<u>4,087</u>
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	121,872	116,890	4,982
Other personal services	3,537	2,149	1,388
Expenses	21,218	18,985	2,233
Operating capital outlay	1,673	1,535	138
Special categories	49,601	31,672	17,929
Total Operating Expenditures	<u>197,901</u>	<u>171,231</u>	<u>26,670</u>
Nonoperating expenditures:			
Transfers	1,075,737	1,075,737	.....
Refunds	4,251	4,251	.....
Other	73,985	73,985	.....
Total Nonoperating Expenditures	<u>1,153,973</u>	<u>1,153,973</u>	.....
Total Expenditures	<u>1,351,874</u>	<u>1,325,204</u>	<u>26,670</u>
Fund Balances, June 30, 2011	<u>\$ 183,172</u>	<u>\$ 213,929</u>	<u>\$ 30,757</u>

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Tobacco Settlement			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 48,031	\$ 48,031	\$ ..... .....
Reversions	903	903	..... .....
Fund Balances, July 1, 2010, restated	<u>48,934</u>	<u>48,934</u>	.....
<b>REVENUES</b>			
Interest	2,002	972	(1,030)
Refunds	44	290	246
Transfers and distributions	402,100	402,100	.....
Other	366,100	383,124	17,024
Total Revenues	<u>770,246</u>	<u>786,486</u>	16,240
Total Available Resources	<u>819,180</u>	<u>835,420</u>	16,240
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	307	243	64
Grants and aids	13,823	13,823	.....
Fixed capital outlay	18,792	18,792	.....
Special categories	355,476	354,508	968
Grants/aids to local governments	1,982	1,982	.....
Total Operating Expenditures	<u>390,380</u>	<u>389,348</u>	1,032
Nonoperating expenditures:			
Transfers	402,395	402,395	.....
Other	2,216	2,216	.....
Total Nonoperating Expenditures	<u>404,611</u>	<u>404,611</u>	.....
Total Expenditures	<u>794,991</u>	<u>793,959</u>	1,032
Fund Balances, June 30, 2011	<u>\$ 24,189</u>	<u>\$ 41,461</u>	<u>\$ 17,272</u>

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

<b>Public Safety</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over / (Under)</b>
Fund Balances, July 1, 2010	\$ 39,674	\$ 39,674	\$ .....
Reversions	820	820	.....
Fund Balances, July 1, 2010, restated	<u>40,494</u>	<u>40,494</u>	.....
 <b>REVENUES</b>			
Fees and charges	72,437	77,215	4,778
Miscellaneous	.....	57	57
Interest	375	416	41
Grants	106,994	64,003	(42,991)
Refunds	925	1,518	593
Transfers and distributions	82,400	50,726	(31,674)
Other	54,982	49,243	(5,739)
Total Revenues	<u>318,113</u>	<u>243,178</u>	(74,935)
Total Available Resources	<u>358,607</u>	<u>283,672</u>	(74,935)
 <b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	62,109	50,037	12,072
Other personal services	4,714	1,666	3,048
Expenses	27,939	17,353	10,586
Grants and aids	27,135	16,579	10,556
Operating capital outlay	7,329	3,512	3,817
Fixed capital outlay	345	345	.....
Special categories	110,416	110,416	.....
Data processing services	148	5	143
Total Operating Expenditures	<u>240,135</u>	<u>199,913</u>	40,222
Nonoperating expenditures:			
Transfers	2,308	2,308	.....
Refunds	965	965	.....
Other	27,336	27,336	.....
Total Nonoperating Expenditures	<u>30,609</u>	<u>30,609</u>	.....
Total Expenditures	<u>270,744</u>	<u>230,522</u>	40,222
Fund Balances, June 30, 2011	<u>\$ 87,863</u>	<u>\$ 53,150</u>	\$ (34,713)

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Corrections		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 23,896	\$ 23,896	\$ .....
Reversions	188	188	.....
Fund Balances, July 1, 2010, restated	<u>24,084</u>	<u>24,084</u>	.....
<b>REVENUES</b>			
Fees and charges	6,377	6,311	(66)
Grants	16,826	17,762	936
Refunds	.....	9,403	9,403
Transfers and distributions	18,508	18,227	(281)
Other	115	184	69
Total Revenues	<u>41,826</u>	<u>51,887</u>	10,061
Total Available Resources	<u>65,910</u>	<u>75,971</u>	10,061
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	10,515	5,559	4,956
Other personal services	1,225	645	580
Expenses	8,438	2,778	5,660
Operating capital outlay	1,080	1,080	.....
Food products	615	386	229
Fixed capital outlay	4,765	4,765	.....
Special categories	30,755	30,755	.....
Data processing services	7	.....	7
Total Operating Expenditures	<u>57,400</u>	<u>45,968</u>	11,432
Nonoperating expenditures:			
Transfers	979	979	.....
Refunds	73	73	.....
Other	491	491	.....
Total Nonoperating Expenditures	<u>1,543</u>	<u>1,543</u>	.....
Total Expenditures	<u>58,943</u>	<u>47,511</u>	11,432
Fund Balances, June 30, 2011	<u>\$ 6,967</u>	<u>\$ 28,460</u>	<u>\$ 21,493</u>

**2011 STATE OF FLORIDA CAFR**

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

<b>Consumer Protection and Safety</b>			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 53,612	\$ 53,612	\$ .....
Reversions	10,764	10,764	.....
Fund Balances, July 1, 2010, restated	<u>64,376</u>	<u>64,376</u>	.....
<b>REVENUES</b>			
Fees and charges	4,952	2,979	(1,973)
Interest	409	461	52
Grants	396,920	132,045	(264,875)
Refunds	831	4,857	4,026
Transfers and distributions	27,388	33,179	5,791
Other	23,194	18,211	(4,983)
Total Revenues	<u>453,694</u>	<u>191,732</u>	(261,962)
Total Available Resources	<u>518,070</u>	<u>256,108</u>	(261,962)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	28,041	22,854	5,187
Other personal services	463	132	331
Expenses	3,521	2,392	1,129
Operating capital outlay	526	65	461
Special categories	309,246	115,450	193,796
Grants/aids to local governments	5,482	5,482	.....
Data processing services	42	.....	42
Total Operating Expenditures	<u>347,321</u>	<u>146,375</u>	200,946
Nonoperating expenditures:			
Transfers	55,611	55,611	.....
Refunds	3,122	3,122	.....
Other	3,233	3,233	.....
Total Nonoperating Expenditures	<u>61,966</u>	<u>61,966</u>	.....
Total Expenditures	<u>409,287</u>	<u>208,341</u>	200,946
Fund Balances, June 30, 2011	<u>\$ 108,783</u>	<u>\$ 47,767</u>	<u>\$ (61,016)</u>

**2011 STATE OF FLORIDA CAFR**

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

<b>Agriculture</b>			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 47,136	\$ 47,136	\$ .....
Reversions	5,730	5,730	.....
Fund Balances, July 1, 2010, restated	<u>52,866</u>	<u>52,866</u>	.....
<b>REVENUES</b>			
Fees and charges	74,313	74,226	(87)
Licenses	23,739	23,982	243
Taxes	520	522	2
Miscellaneous	4,816	4,896	80
Interest	1,496	1,429	(67)
Grants	48,431	48,628	197
Refunds	1,950	1,992	42
Transfers and distributions	54,551	54,601	50
Other	6,577	6,574	(3)
Total Revenues	<u>216,393</u>	<u>216,850</u>	<u>457</u>
Total Available Resources	<u>269,259</u>	<u>269,716</u>	<u>457</u>
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	101,035	89,751	11,284
Other personal services	6,257	3,962	2,295
Expenses	31,423	24,849	6,574
Grants and aids	4,857	4,293	564
Operating capital outlay	1,918	1,090	828
Fixed capital outlay	2,761	2,761	.....
Special categories	61,028	61,028	.....
Total Operating Expenditures	<u>209,279</u>	<u>187,734</u>	<u>21,545</u>
Nonoperating expenditures:			
Payments to U.S. Treasury	5,371	5,371	.....
Transfers	14,461	14,461	.....
Refunds	2,456	2,456	.....
Other	9,656	9,656	.....
Total Nonoperating Expenditures	<u>31,944</u>	<u>31,944</u>	.....
Total Expenditures	<u>241,223</u>	<u>219,678</u>	<u>21,545</u>
Fund Balances, June 30, 2011	<u>\$ 28,036</u>	<u>\$ 50,038</u>	<u>\$ 22,002</u>

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Juvenile Justice			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 26,993	\$ 26,993	\$ ..... .....
Reversions	1,900	1,900	.....
Fund Balances, July 1, 2010, restated	<u>28,893</u>	<u>28,893</u>	.....
<b>REVENUES</b>			
Fees and charges	99,929	78,629	(21,300)
Interest	380	101	(279)
Grants	5,080	5,768	688
Refunds	.....	49	49
Transfers and distributions	77,980	76,881	(1,099)
Other	2,760	2,043	(717)
Total Revenues	<u>186,129</u>	<u>163,471</u>	(22,658)
Total Available Resources	<u>215,022</u>	<u>192,364</u>	(22,658)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	92,145	82,518	9,627
Other personal services	3,315	2,349	966
Expenses	10,297	9,128	1,169
Grants and aids	413	144	269
Operating capital outlay	312	289	23
Food products	3,871	1,807	2,064
Special categories	71,031	71,031	.....
Total Operating Expenditures	<u>181,384</u>	<u>167,266</u>	14,118
Nonoperating expenditures:			
Refunds	765	765	.....
Other	1,600	1,600	.....
Total Nonoperating Expenditures	<u>2,365</u>	<u>2,365</u>	.....
Total Expenditures	<u>183,749</u>	<u>169,631</u>	14,118
Fund Balances, June 30, 2011	<u>\$ 31,273</u>	<u>\$ 22,733</u>	\$ (8,540)

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**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
(in thousands)

<b>Judicial Services</b>			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 187,684	\$ 187,684	\$ .....
Reversions	1,626	1,626	.....
Fund Balances, July 1, 2010, restated	<u>189,310</u>	<u>189,310</u>	.....
<b>REVENUES</b>			
Fees and charges	221,253	223,020	1,767
Licenses	604	604	.....
Miscellaneous	3	4	1
Grants	14,066	14,101	35
Refunds	1,358	1,820	462
Transfers and distributions	487,625	487,625	.....
Other	515,581	515,568	(13)
Total Revenues	<u>1,240,490</u>	<u>1,242,742</u>	<u>2,252</u>
Total Available Resources	<u>1,429,800</u>	<u>1,432,052</u>	<u>2,252</u>
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	433,980	395,904	38,076
Other personal services	10,258	6,233	4,025
Expenses	19,752	12,334	7,418
Operating capital outlay	1,702	993	709
Fixed capital outlay	350	342	8
Special categories	500,008	500,008	.....
Data processing services	1,849	1,446	403
Total Operating Expenditures	<u>967,899</u>	<u>917,260</u>	<u>50,639</u>
Nonoperating expenditures:			
Transfers	373,209	373,209	.....
Refunds	556	556	.....
Other	62,849	62,849	.....
Total Nonoperating Expenditures	<u>436,614</u>	<u>436,614</u>	.....
Total Expenditures	<u>1,404,513</u>	<u>1,353,874</u>	<u>50,639</u>
Fund Balances, June 30, 2011	<u>\$ 25,287</u>	<u>\$ 78,178</u>	<u>\$ 52,891</u>

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

<b>Military and Veterans' Affairs</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over / (Under)</b>
Fund Balances, July 1, 2010	\$ 40,697	\$ 40,697	\$ ..... .....
Reversions	1,197	1,197	.....
Fund Balances, July 1, 2010, restated	<u>41,894</u>	<u>41,894</u>	.....
 <b>REVENUES</b>			
Fees and charges	15,007	14,598	(409)
Miscellaneous	2	2	.....
Interest	758	700	(58)
Grants	71,512	71,196	(316)
Refunds	23,852	24,023	171
Transfers and distributions	13,149	9,631	(3,518)
Other	3	74	71
Total Revenues	<u>124,283</u>	<u>120,224</u>	(4,059)
Total Available Resources	<u>166,177</u>	<u>162,118</u>	(4,059)
 <b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	44,472	39,274	5,198
Other personal services	2,839	2,495	344
Expenses	24,753	24,154	599
Operating capital outlay	1,045	946	99
Food products	3,282	2,707	575
Fixed capital outlay	20,777	20,777	.....
Special categories	32,911	22,292	10,619
Total Operating Expenditures	<u>130,079</u>	<u>112,645</u>	<u>17,434</u>
Nonoperating expenditures:			
Transfers	3,425	3,425	.....
Refunds	650	650	.....
Other	217	217	.....
Total Nonoperating Expenditures	<u>4,292</u>	<u>4,292</u>	.....
Total Expenditures	<u>134,371</u>	<u>116,937</u>	<u>17,434</u>
Fund Balances, June 30, 2011	<u>\$ 31,806</u>	<u>\$ 45,181</u>	<u>\$ 13,375</u>

**2011 STATE OF FLORIDA CAFR**

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Citrus Commission			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 18,576	\$ 18,576	\$ ..... .....
Reversions	3,627	3,627	.....
Fund Balances, July 1, 2010, restated	<u>22,203</u>	<u>22,203</u>	.....
<b>REVENUES</b>			
Taxes	43,738	42,395	(1,343)
Miscellaneous	343	31	(312)
Interest	220	520	300
Grants	5,495	4,810	(685)
Refunds	25	6	(19)
Other	.....	41	41
Total Revenues	<u>49,821</u>	<u>47,803</u>	(2,018)
Total Available Resources	<u>72,024</u>	<u>70,006</u>	(2,018)
<b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	6,100	4,513	1,587
Other personal services	173	65	108
Expenses	3,304	827	2,477
Operating capital outlay	435	337	98
Special categories	56,824	43,509	13,315
Data processing services	34	17	17
Total Operating Expenditures	<u>66,870</u>	<u>49,268</u>	<u>17,602</u>
Nonoperating expenditures:			
Refunds	302	302	.....
Other	1,691	1,691	.....
Total Nonoperating Expenditures	<u>1,993</u>	<u>1,993</u>	.....
Total Expenditures	<u>68,863</u>	<u>51,261</u>	<u>17,602</u>
Fund Balances, June 30, 2011	<u>\$ 3,161</u>	<u>\$ 18,745</u>	<u>\$ 15,584</u>

**2011 STATE OF FLORIDA CAFR**

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

School for the Deaf and the Blind			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 960	\$ 960	\$ .....
Carry forward adjustment	.....	.....	.....
Fund Balances, July 1, 2010, restated	<u>960</u>	<u>960</u>	.....
 <b>REVENUES</b>			
Grants	1,309	1,308	(1)
Transfers and distributions	5,731	5,798	67
Total Revenues	<u>7,040</u>	<u>7,106</u>	66
Total Available Resources	<u>8,000</u>	<u>8,066</u>	66
 <b>EXPENDITURES</b>			
Operating expenditures:			
Special categories	6,365	6,365	.....
Continuing appropriations	111	111	.....
Total Operating Expenditures	<u>6,476</u>	<u>6,476</u>	.....
Nonoperating expenditures:			
Transfers	4	4	.....
Total Nonoperating Expenditures	<u>4</u>	<u>4</u>	.....
Total Expenditures	<u>6,480</u>	<u>6,480</u>	.....
Fund Balances, June 30, 2011	<u>\$ 1,520</u>	<u>\$ 1,586</u>	<u>\$ 66</u>

**2011 STATE OF FLORIDA CAFR**

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**BUDGETARY COMPARISON SCHEDULES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Wireless Emergency Telephone System			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2010	\$ 7,061	\$ 7,061	\$ .....
Reversions	472	472	.....
Fund Balances, July 1, 2010, restated	<u>7,533</u>	<u>7,533</u>	.....
 <b>REVENUES</b>			
Interest	100	952	852
Refunds	.....	832	832
Other	124,032	124,032	.....
Total Revenues	<u>124,132</u>	<u>125,816</u>	1,684
Total Available Resources	<u>131,665</u>	<u>133,349</u>	1,684
 <b>EXPENDITURES</b>			
Operating expenditures:			
Salaries and benefits	434	422	12
Expenses	666	161	505
Grants and aids	127,197	127,197	.....
Operating capital outlay	4	.....	4
Special categories	179	179	.....
Data processing services	4	3	1
Total Operating Expenditures	<u>128,484</u>	<u>127,962</u>	522
Nonoperating expenditures:			
Transfers	67	67	.....
Refunds	567	567	.....
Total Nonoperating Expenditures	<u>634</u>	<u>634</u>	.....
Total Expenditures	<u>129,118</u>	<u>128,596</u>	522
Fund Balances, June 30, 2011	<u>\$ 2,547</u>	<u>\$ 4,753</u>	<u>\$ 2,206</u>

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## CAPITAL PROJECTS FUNDS

### GENERAL GOVERNMENT

This fund includes various internal reporting capital projects funds administered by various agencies to account for resources used for the acquisition or construction of major capital facilities other than those financed by other funds.

### RIGHT-OF-WAY AND BRIDGE CONSTRUCTION

This fund includes the internal reporting capital projects funds administered by the Department of Transportation for right-of-way acquisition and bridge construction. Effective July 1, 2010, the fund was moved to the Transportation Government Fund, as described in Note 11.

### OTHER

This fund includes various internal reporting capital projects funds administered by other agencies.

### FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

This capital projects fund is administered by the School for the Deaf and the Blind.

**2011 STATE OF FLORIDA CAFR**

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**COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2011  
(in thousands)**

	General Government	Right-of-Way and Bridge Construction	Other	School for the Deaf and the Blind	Totals 6/30/11
<b>ASSETS</b>					
<b>Current assets</b>					
Pooled investments with State Treasury	\$ 207	\$ .....	\$ 4,706	\$ 1,555	\$ 6,468
Receivables, net	.....	.....	9	.....	9
Due from other funds	9,087	.....	.....	.....	9,087
Total current assets	<u>9,294</u>	<u>.....</u>	<u>4,715</u>	<u>1,555</u>	<u>15,564</u>
Total assets	<u>\$ 9,294</u>	<u>\$ .....</u>	<u>\$ 4,715</u>	<u>\$ 1,555</u>	<u>\$ 15,564</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$ 177	\$ .....	\$ 107	\$ 368	\$ 652
Due to other funds	.....	.....	3	6	9
Obligations under security lending agreements	.....	.....	474	.....	474
Total current liabilities	<u>177</u>	<u>.....</u>	<u>584</u>	<u>374</u>	<u>1,135</u>
Total liabilities	<u>177</u>	<u>.....</u>	<u>584</u>	<u>374</u>	<u>1,135</u>
<b>Fund balances</b>					
Restricted	.....	.....	.....	1,181	1,181
Committed	<u>9,117</u>	<u>.....</u>	<u>4,131</u>	<u>.....</u>	<u>13,248</u>
Total fund balances	<u>9,117</u>	<u>.....</u>	<u>4,131</u>	<u>1,181</u>	<u>14,429</u>
Total liabilities and fund balances	<u>\$ 9,294</u>	<u>\$ .....</u>	<u>\$ 4,715</u>	<u>\$ 1,555</u>	<u>\$ 15,564</u>

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	General Government	Right-of-Way and Bridge Construction	Other	School for the Deaf and the Blind	Totals 6/30/11
<b>REVENUES</b>					
Investment earnings	\$ .....	\$ .....	\$ 92	\$ .....	\$ 92
Total revenues	.....	.....	92	.....	92
<b>EXPENDITURES</b>					
Current:					
General government	1,337	.....	794	.....	2,131
Education	.....	.....	.....	2,358	2,358
Human services	1,401	.....	.....	.....	1,401
Criminal justice and corrections	58,961	.....	.....	.....	58,961
Natural resources and environment	.....	.....	.....	.....	.....
Transportation	.....	.....	.....	.....	.....
Capital outlay	18,010	.....	.....	4,500	22,510
Debt service:					
Principal retirement	2,835	.....	.....	.....	2,835
Interest and fiscal charges	.....	.....	.....	.....	.....
Total expenditures	82,544	.....	794	6,858	90,196
Excess (deficiency) of revenues over expenditures	(82,544)	.....	(702)	(6,858)	(90,104)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	81,103	.....	.....	4,917	86,020
Operating transfers out	(2,332)	(54,061)	(49)	.....	(56,442)
Total other financing sources (uses)	78,771	(54,061)	(49)	4,917	29,578
Net change in fund balances	(3,773)	(54,061)	(751)	(1,941)	(60,526)
Fund balances - beginning	12,890	54,061	4,882	3,122	74,955
Fund balances - ending	\$ 9,117	\$ .....	\$ 4,131	\$ 1,181	\$ 14,429

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## NONMAJOR ENTERPRISE FUNDS

### OTHER

This category includes various internal reporting enterprise funds, most of whom regulate activities and are funded by the collection of fees.

### FLORIDA ENGINEERS MANAGEMENT CORPORATION

This blended component unit was created for the benefit of the Department of Business and Professional Regulation and the Board of Professional Engineers for the purpose of providing administrative, investigative, and prosecutorial services as provided in Section 471.038, Florida Statutes.

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2011  
(in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/11
<b>ASSETS</b>			
<b><u>Current assets</u></b>			
Cash and cash equivalents	\$ 1,554	\$ 115	\$ 1,669
Pooled investments with State Treasury	259,668	.....	259,668
Other Investments	16,296	.....	16,296
Receivables, net	10,324	.....	10,324
Due from other funds	10,055	.....	10,055
Due from component units/primary	4	.....	4
Other	.....	57	57
Total current assets	<b>297,901</b>	<b>172</b>	<b>298,073</b>
<b><u>Noncurrent assets</u></b>			
Long-term investments	56,582	.....	56,582
Capital assets			
Buildings, equipment, and other depreciable assets	30,457	328	30,785
Accumulated depreciation	(23,219)	(241)	(23,460)
Total noncurrent assets	<b>63,820</b>	<b>87</b>	<b>63,907</b>
Total assets	<b>361,721</b>	<b>259</b>	<b>361,980</b>
<b>LIABILITIES</b>			
<b><u>Current liabilities</u></b>			
Accounts payable and accrued liabilities	6,342	70	6,412
Due to other funds	5,981	.....	5,981
Due to component units/primary	14	102	116
Compensated absences	4,037	.....	4,037
Deferred revenues	38,378	.....	38,378
Obligations under security lending agreements	22,572	.....	22,572
Total current liabilities	<b>77,324</b>	<b>172</b>	<b>77,496</b>
<b><u>Noncurrent liabilities</u></b>			
Compensated absences	12,569	.....	12,569
Other noncurrent liabilities	8,025	.....	8,025
Total noncurrent liabilities	<b>20,594</b>	<b>.....</b>	<b>20,594</b>
Total liabilities	<b>97,918</b>	<b>172</b>	<b>98,090</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	7,238	87	7,325
Unrestricted	256,565	.....	256,565
Total net assets	<b>\$ 263,803</b>	<b>\$ 87</b>	<b>\$ 263,890</b>

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/11
<b>OPERATING REVENUES</b>			
Sales - nonstate	\$ 84,835	\$ .....	\$ 84,835
Fees	216,128	1,989	218,117
Sales - state	23,298	.....	23,298
Rents and royalties - nonstate	4	.....	4
Rents - state	90	.....	90
Fines, forfeits, settlements and judgments	26,701	.....	26,701
Other	2	.....	2
Total operating revenues	<u>351,058</u>	<u>1,989</u>	<u>353,047</u>
<b>OPERATING EXPENSES</b>			
Contractual services	55,129	612	55,741
Personal services	168,262	1,240	169,502
Depreciation	1,947	52	1,999
Materials and supplies	5,761	73	5,834
Repairs and maintenance	1,514	.....	1,514
Basic services	30,577	.....	30,577
Interest and fiscal charges	2,112	.....	2,112
Total operating expenses	<u>265,302</u>	<u>1,977</u>	<u>267,279</u>
Operating income (loss)	<u>85,756</u>	<u>12</u>	<u>85,768</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Grants and donations	210	.....	210
Investment earnings	5,030	.....	5,030
Interest and fiscal charges	(302)	.....	(302)
Property disposition gain (loss)	(129)	.....	(129)
Grant expense and client benefits	(1,248)	.....	(1,248)
Other	(69)	.....	(69)
Total nonoperating revenues (expenses)	<u>3,492</u>	<u>.....</u>	<u>3,492</u>
Income (loss) before transfers and contributions	89,248	12	89,260
Operating transfers in	13,619	.....	13,619
Operating transfers out	(129,346)	.....	(129,346)
Change in net assets	(26,479)	12	(26,467)
Total net assets - beginning	290,282	75	290,357
Total net assets - ending	<u>\$ 263,803</u>	<u>\$ 87</u>	<u>\$ 263,890</u>

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Other	FL Engineers Management Corporation	Totals 6/30/11
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 355,691	\$ 2,091	\$ 357,782
Cash paid to vendors	(89,490)	(765)	(90,255)
Cash paid to employees	(156,426)	(1,226)	(157,652)
Cash paid for insurance claims	(123)	.....	(123)
Unemployment benefits	(514)	.....	(514)
Net cash provided (used) by operating activities	109,138	100	109,238
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in (out)	(121,248)	.....	(121,248)
Advances from or repayment from other funds	(28)	.....	(28)
Advances, grants or loans (to) from or repayment from others	(1,350)	.....	(1,350)
Emergency assessment funds received	210	.....	210
Net cash provided (used) by noncapital financing activities	(122,416)	.....	(122,416)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash received from sale of capital assets	4	.....	4
Purchase or construction of capital assets	(1,218)	(28)	(1,246)
Net cash provided (used) by capital and related financing activities	(1,214)	(28)	(1,242)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Security lending	1,713	.....	1,713
Proceeds from the sale or maturity of investments	5,871,642	.....	5,871,642
Investment earnings	4,548	.....	4,548
Purchase of investments	(5,865,562)	.....	(5,865,562)
Net cash provided (used) by investing activities	12,341	.....	12,341
Net increase (decrease) in cash and cash equivalents	(2,151)	72	(2,079)
Cash and cash equivalents - beginning	263,373	43	263,416
Cash and cash equivalents - ending	\$ 261,222	\$ 115	\$ 261,337

**2011 STATE OF FLORIDA CAFR**

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**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

**Reconciliation of operating income (loss) to net cash provided (used) by operating activities**

	Other	FL Engineers Management Corporation	Totals 6/30/11
Operating income (loss)	\$ 85,753	\$ 12	\$ 85,765
<b>Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
Depreciation and amortization expense	1,947	52	1,999
<b>Changes in assets and liabilities:</b>			
(Increase) decrease in accounts receivable	1,631	9	1,640
(Increase) decrease in due from other funds	(1,068)	.....	(1,068)
Increase (decrease) in allowance for uncollectibles	334	.....	334
(Increase) decrease in inventories	.....	(19)	(19)
Increase (decrease) in accounts payable	382	(55)	327
Increase (decrease) in compensated absences	(550)	101	(449)
Increase (decrease) in due to other funds	425	.....	425
Increase (decrease) in other non-current liability	2,588	.....	2,588
Increase (decrease) in deferred revenue	17,696	.....	17,696
Net cash provided (used) by operating activities	<hr/> <hr/> \$ 109,138	<hr/> <hr/> \$ 100	<hr/> <hr/> \$ 109,238

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## **INTERNAL SERVICE FUNDS**

### **EMPLOYEE HEALTH AND DISABILITY**

These funds are administered by the Department of Management Services and are used primarily to account for health and disability plans for employees of the state.

### **DATA CENTERS**

These funds are used to account for services provided by data processing centers operated by various agencies.

### **COMMUNICATIONS AND FACILITIES**

These funds are administered by the Department of Management Services primarily to account for services provided to other state agencies such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the SUNCOM (state communication) Network.

### **OTHER**

These funds are administered by various agencies primarily to account for services provided to other state agencies such as legal services, records management, and community services (inmate work squads).

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2011  
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/11
<b>ASSETS</b>					
<b><u>Current assets</u></b>					
Cash and cash equivalents	\$ 995	\$ .....	\$ 33,503	\$ .....	\$ 34,498
Pooled investments with State Treasury	224,941	4,969	207,405	5,072	442,387
Other Investments	.....	.....	64,964	.....	64,964
Receivables, net	13,186	12	4,378	966	18,542
Due from other funds	14,842	7,900	23,371	3,870	49,983
Due from component units/primary	.....	6	948	3	957
Total current assets	253,964	12,887	334,569	9,911	611,331
<b><u>Noncurrent assets</u></b>					
Capital assets					
Land and other nondepreciable assets	.....	.....	355	.....	355
Buildings, equipment, and other depreciable assets	54	27,813	1,302,571	14,186	1,344,624
Accumulated depreciation	(45)	(24,108)	(327,383)	(8,875)	(360,411)
Construction work in progress	.....	.....	105,286	.....	105,286
Total noncurrent assets	9	3,705	1,080,829	5,311	1,089,854
Total assets	253,973	16,592	1,415,398	15,222	1,701,185
<b>LIABILITIES</b>					
<b><u>Current liabilities</u></b>					
Accounts payable and accrued liabilities	62,207	5,567	14,142	1,078	82,994
Due to other funds	20,073	48	172	1,179	21,472
Due to component units/primary	.....	.....	.....	2	2
Compensated absences	.....	1,145	565	1,202	2,912
Installment purchases/capital leases	.....	384	663	.....	1,047
Bonds payable	.....	.....	20,425	.....	20,425
Deposits	87,929	26	3,086	93	91,134
Obligations under security lending agreements	23,857	144	22,006	32	46,039
Certificates of participation payable	.....	.....	33,805	.....	33,805
Total current liabilities	194,066	7,314	94,864	3,586	299,830
<b><u>Noncurrent liabilities</u></b>					
Advances from other funds	.....	1,478	500	800	2,778
Bonds payable	.....	.....	358,883	.....	358,883
Certificates of participation payable	.....	.....	651,858	.....	651,858
Installment purchases/capital leases	.....	391	7,874	.....	8,265
Compensated absences	128	2,560	2,037	6,895	11,620
Other noncurrent liabilities	7,922	1,243	1,425	3,263	13,853
Total noncurrent liabilities	8,050	5,672	1,022,577	10,958	1,047,257
Total liabilities	202,116	12,986	1,117,441	14,544	1,347,087
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	9	2,930	149,939	5,311	158,189
Unrestricted	51,848	676	148,018	(4,633)	195,909
Total net assets	\$ 51,857	\$ 3,606	\$ 297,957	\$ 678	\$ 354,098

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	<u>Employee Health and Disability</u>	<u>Data Centers</u>	<u>Communications and Facilities</u>	<u>Other</u>	<u>Totals 6/30/11</u>
<b>OPERATING REVENUES</b>					
Sales - nonstate	\$ ..... 1,867,256	\$ 125 79,762	\$ 34,357 90,111	\$ 7,313 58,526	\$ 41,795 2,095,655
Rents and royalties - nonstate	.....	.....	171	.....	171
Rents - state	.....	.....	158,527	.....	158,527
Fines, forfeits, settlements and judgments	.....	.....	.....	2	2
Other	26,480	.....	.....	.....	26,480
Total operating revenues	1,893,736	79,887	283,166	65,841	2,322,630
<b>OPERATING EXPENSES</b>					
Contractual services	988,306	35,804	112,970	5,773	1,142,853
Insurance claims expense	828,761	.....	.....	.....	828,761
Personal services	6,112	28,502	19,476	51,614	105,704
Depreciation	4	2,166	20,999	1,273	24,442
Materials and supplies	25	13,234	1,086	1,815	16,160
Repairs and maintenance	.....	1,946	6,446	450	8,842
Basic services	91	4,882	4,758	3,398	13,129
Interest and fiscal charges	.....	222	175	.....	397
Total operating expenses	1,823,299	86,756	165,910	64,323	2,140,288
Operating income (loss)	70,437	(6,869)	117,256	1,518	182,342
<b>NONOPERATING REVENUES/(EXPENSES)</b>					
Investment earnings	4,148	34	4,490	32	8,704
Interest and fiscal charges	(210)	(65)	(57,628)	(2)	(57,905)
Property disposition gain (loss)	.....	(236)	(2,179)	(312)	(2,727)
Other	.....	7	.....	.....	7
Total nonoperating revenues (expenses)	3,938	(260)	(55,317)	(282)	(51,921)
Income (loss) before transfers and contributions	74,375	(7,129)	61,939	1,236	130,421
Operating transfers in	17,254	226	24,407	1,010	42,897
Operating transfers out	(250)	(217)	(19,290)	(2,765)	(22,522)
Capital contributions	1	515	949	364	1,829
Change in net assets	91,380	(6,605)	68,005	(155)	152,625
Total net assets - beginning	(39,523)	10,211	229,952	833	201,473
Total net assets - ending	\$ 51,857	\$ 3,606	\$ 297,957	\$ 678	\$ 354,098

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,794,679	\$ 78,788	\$ 284,908
Cash paid to vendors	(993,380)	(55,034)	(155,816)
Cash paid to employees	(1,245)	(27,223)	(19,661)
Cash paid for insurance claims	(828,761)	.....	.....
Net cash provided (used) by operating activities	<b>(28,707)</b>	<b>(3,469)</b>	<b>109,431</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in (out)	17,004	(2,888)	(12,171)
Advances from or repayment from other funds	.....	2,664	.....
Cash received from noncapital grants or donations	.....	57	.....
Net cash provided (used) by noncapital financing activities	<b>17,004</b>	<b>(167)</b>	<b>(12,171)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Cash received from sale of capital assets	.....	.....	3,665
Payment of bond principal	.....	.....	(52,803)
Payment of principal on installment purchase/capital lease	.....	(423)	(3,398)
Payment of interest on bonds/installment purchase/capital lease	.....	(588)	(50,358)
Purchase or construction of capital assets	(1)	(391)	(114,733)
Net cash provided (used) by capital and related financing activities	<b>(1)</b>	<b>(1,402)</b>	<b>(217,627)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Security lending	1,194	(156)	(12,374)
Investment earnings	3,937	29	8,529
Purchase of investments	.....	.....	.....
Net cash provided (used) by investing activities	<b>5,131</b>	<b>(127)</b>	<b>(3,845)</b>
Net increase (decrease) in cash and cash equivalents	<b>(6,573)</b>	<b>(5,165)</b>	<b>(124,212)</b>
Cash and cash equivalents - beginning	232,509	10,134	365,120
Cash and cash equivalents - ending	<b>\$ 225,936</b>	<b>\$ 4,969</b>	<b>\$ 240,908</b>

Other	Totals 6/30/11
\$ 65,792	\$ 2,224,167
(11,101)	(1,215,331)
(51,415)	(99,544)
.....	(828,761)
<b>3,276</b>	<b>80,531</b>
(1,574)	371
.....	2,664
.....	57
<b>(1,574)</b>	<b>3,092</b>
.....	3,665
.....	(52,803)
.....	(3,821)
.....	(50,946)
(940)	(116,065)
<b>(940)</b>	<b>(219,970)</b>
(46)	(11,382)
(5)	12,490
36	36
<b>(15)</b>	<b>1,144</b>
747	(135,203)
4,325	612,088
<b>\$ 5,072</b>	<b>\$ 476,885</b>

**2011 STATE OF FLORIDA CAFR**

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**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

**Reconciliation of operating income (loss) to net cash provided (used) by operating activities**

	Employee Health and Disability	Data Centers	Communications and Facilities
Operating income (loss)	\$ 70,437	\$ (6,869)	\$ 117,256
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	4	2,166	20,999
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	1,178	(1,550)	969
(Increase) decrease in due from other funds	(14,824)	442	875
Increase (decrease) in allowance for uncollectibles	.....	.....	(36)
(Increase) decrease in inventories	.....	.....	160
Increase (decrease) in accounts payable	(628)	1,934	(30,716)
Increase (decrease) in compensated absences	9	451	(360)
Increase (decrease) in due to other funds	(4,318)	(193)	218
Increase (decrease) in other non-current liability	4,845	150	443
Increase (decrease) in deferred revenue	(85,410)	.....	(377)
Net cash provided (used) by operating activities	<hr/> <hr/> \$ (28,707)	<hr/> <hr/> \$ (3,469)	<hr/> <hr/> \$ 109,431

		Totals 6/30/11
Other		
	\$ 1,517	\$ 182,341
1,273		24,442
(21)		576
339		(13,168)
.....		(36)
2		162
(154)		(29,564)
(418)		(318)
(402)		(4,695)
1,098		6,536
42		(85,745)
	<u>\$ 3,276</u>	<u>\$ 80,531</u>

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## PRIVATE-PURPOSE TRUST FUNDS

### TRUST ESCROW ADMINISTRATION

These funds administered by the Department of Financial Services are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

### UNCLAIMED PROPERTY

This fund includes the internal reporting funds administered by the Department of Financial Services that are used to account for unclaimed property pursuant to Section 717.123, Florida Statutes.

### STUDENT LOAN GUARANTY RESERVE

This fund administered by the Department of Education is used to account for federally guaranteed loans to Florida citizens to pay for higher education.

### COLLEGE SAVINGS PLAN

This fund, administered by the State Board of Administration, is used to account for contributions from participants of the College Savings Plan as authorized by Section 1009.981, Florida Statutes. Participant contributions are collected and invested in accordance with the Plan provisions and participant direction.

### OTHER

This category includes other internal reporting funds administered by various agencies that are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**JUNE 30, 2011**  
(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,590	\$ .....	\$ .....	\$ 799
Pooled investments with State Treasury	503,423	12,495	24,875	1,081
Total cash and cash equivalents	<u>506,013</u>	<u>12,495</u>	<u>24,875</u>	<u>1,880</u>
<b>Investments</b>				
Certificates of deposit	.....	.....	.....	.....
U.S. government & federally guaranteed obligations	75	.....	.....	.....
Federal agencies	.....	.....	.....	.....
Bonds and notes	.....	.....	.....	.....
International bonds and notes	.....	.....	.....	.....
Mutual fund investments	4,340	224	.....	.....
Money market and short-term investments	1,176	.....	.....	.....
Domestic equity	.....	12,716	.....	.....
International equity	.....	.....	.....	.....
Total investments	<u>5,591</u>	<u>12,940</u>	.....	.....
<b>Receivables</b>				
Accounts receivable	24,648	.....	6	.....
Interest receivable	901	5	31	.....
Dividends receivable	.....	.....	.....	.....
Nonstate contributions receivable	.....	.....	113	.....
Pending investment sales	.....	.....	.....	.....
Due from state funds	.....	.....	14	.....
Due from other governments	.....	.....	24,070	.....
Total receivables	<u>25,549</u>	<u>5</u>	<u>24,234</u>	.....
Security lending collateral	.....	.....	.....	.....
Advances to other funds	.....	649,367	.....	.....
Advances to other entities	1,137,164	.....	.....	.....
Capital assets	29,411	1,475	25	.....
Accumulated depreciation	.....	(812)	(25)	.....
Other assets	3,568	.....	.....	.....
Total assets	<u>1,707,296</u>	<u>675,470</u>	<u>49,109</u>	<u>1,880</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	1,873	12,975	.....	.....
Due to other funds	1,946	12	4,700	.....
Pending investment purchases	.....	.....	.....	.....
Due to other governments	.....	.....	7,467	.....
Obligations under security lending agreements	54,368	287	2,668	.....
Claims payable	.....	.....	8,356	.....
Deposits payable	25	.....	.....	.....
Compensated absences	.....	347	.....	.....
Other liabilities	23,524	210	.....	.....
Total liabilities	<u>81,736</u>	<u>13,831</u>	<u>23,191</u>	.....
<b>NET ASSETS</b>				
Held in trust for individuals, organizations, and other governments	\$ 1,625,560	\$ 661,639	\$ 25,918	\$ 1,880

College Savings Plan	Tots 6/30/11
\$ 6,405	\$ 9,794
.....	541,874
<b>6,405</b>	<b>551,668</b>
620	620
16,102	16,177
31,889	31,889
42,665	42,665
3,860	3,860
.....	4,564
18,561	19,737
125,642	138,358
442	442
<b>239,781</b>	<b>258,312</b>
.....	24,654
676	1,613
153	153
.....	113
364	364
.....	14
.....	24,070
<b>1,193</b>	<b>50,981</b>
28,897	28,897
.....	649,367
.....	1,137,164
6	30,917
(6)	(843)
.....	3,568
<b>276,276</b>	<b>2,710,031</b>
639	15,487
.....	6,658
723	723
.....	7,467
30,037	87,360
.....	8,356
3,402	3,427
7	354
.....	23,734
<b>34,808</b>	<b>153,566</b>
<b>\$ 241,468</b>	<b>\$ 2,556,465</b>

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PRIVATE-PURPOSE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
<b>ADDITIONS</b>				
<u>Contributions and other deposits</u>				
Fees	\$ .....	\$ .....	\$ 23	\$ .....
Grants and contributions	.....	.....	222,339	.....
Fines, forfeits, settlements and judgments	.....	241	.....	.....
Unclaimed property remittances	.....	346,604	.....	.....
Receivership assets acquired	60,416	.....	.....	.....
Transfers in from state funds	.....	.....	175	.....
Total contributions and other deposits	<b>60,416</b>	<b>346,845</b>	<b>222,537</b>	.....
<u>Investment income</u>				
Interest income	10,960	55	530	.....
Dividends	.....	.....	.....	.....
Other investment income	373	.....	.....	.....
Net increase (decrease) in fair market value	.....	.....	.....	.....
Total investment income	<b>11,333</b>	<b>55</b>	<b>530</b>	.....
Investment activity expense	(717)	(2)	.....	.....
Net income (loss) from investing activity	<b>10,616</b>	<b>53</b>	<b>530</b>	.....
<u>Security lending activity</u>				
Security lending income	.....	.....	.....	.....
Security lending expense	.....	.....	.....	.....
Net income from security lending	.....	.....	.....	.....
Total net investment income (loss)	<b>10,616</b>	<b>53</b>	<b>530</b>	.....
Other additions	184	199	8,803	.....
Total additions	<b>71,216</b>	<b>347,097</b>	<b>231,870</b>	.....
<b>DEDUCTIONS</b>				
Insurance claims expense	43,264	.....	.....	.....
Interest expense	1,387	3	22	.....
Student loan default payments	.....	.....	225,748	.....
Payments to unclaimed property claimants	.....	190,240	.....	.....
Distribution to State School Fund	.....	48,473	.....	.....
Administrative expense	15,929	3,495	.....	.....
Property disposition gain (loss)	.....	3	.....	.....
Transfers out to state funds	.....	3,206	877	.....
Other deductions	15,533	596	10,227	.....
Total deductions	<b>76,113</b>	<b>246,016</b>	<b>236,874</b>	.....
<u>Depositor activity</u>				
Deposits	20,856	.....	.....	1,004
Withdrawals	(31,970)	.....	.....	.....
Excess (deficiency) of deposits over withdrawals	(11,114)	.....	.....	1,004
Change in net assets	(16,011)	101,081	(5,004)	1,004
Net assets - beginning	1,641,571	560,558	30,922	876
Net assets - ending	<b>\$ 1,625,560</b>	<b>\$ 661,639</b>	<b>\$ 25,918</b>	<b>\$ 1,880</b>

College Savings Plan	Tots 6/30/11
\$ 1,753	\$ 1,776
30,402	252,741
5	246
.....	346,604
.....	60,416
1,596	1,771
<hr/>	<hr/>
33,756	663,554
3,574	15,119
2,236	2,236
.....	373
28,280	28,280
<hr/>	<hr/>
34,090	46,008
(343)	(1,062)
<hr/>	<hr/>
33,747	44,946
100	100
(29)	(29)
<hr/>	<hr/>
71	71
<hr/>	<hr/>
33,818	45,017
.....	9,186
<hr/>	<hr/>
67,574	717,757
.....	43,264
.....	1,412
.....	225,748
.....	190,240
.....	48,473
4,372	23,796
.....	3
.....	4,083
10,949	37,305
<hr/>	<hr/>
15,321	574,324
.....	21,860
.....	(31,970)
<hr/>	<hr/>
.....	(10,110)
<hr/>	<hr/>
52,253	133,323
189,215	2,423,142
<hr/>	<hr/>
\$ 241,468	\$ 2,556,465

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## PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

### DEFINED BENEFIT PENSION PLAN

This category includes those internal reporting funds primarily administered by the Department of Management Services, Division of Retirement, to account for operations of the Florida Retirement System's defined benefit pension plan.

### OTHER DEFINED CONTRIBUTION PLANS

This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, to account for operations of the state's other defined contribution plans.

### DEFERRED COMPENSATION PLAN

This category includes those internal reporting funds administered by the Department of Financial Services to account for operations of government employee's deferred compensation plan.

### LIFE AND OTHER BENEFITS

This category includes those internal reporting funds primarily administered by the Department of Management Services to account for state employee's life and other plans.

### RETIREE HEALTH INSURANCE SUBSIDY

This category includes internal reporting funds administered by the Department of Management Services, Division of Retirement, to hold and invest the contributions paid by employers on behalf of their employees who are members of a state-administered retirement plan, and to pay benefits to which such employees or their beneficiaries may become entitled.

### DEFINED CONTRIBUTION PENSION PLAN

This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, and State Board of Administration to account for operations of the Florida Retirement System's defined contribution pension plan.

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS  
JUNE 30, 2011  
(in thousands)**

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
<b>ASSETS</b>				
Cash and cash equivalents	\$ 245,777	\$ .....	\$ 67,482	\$ .....
Pooled investments with State Treasury	72,226	3,775	2,358	15,745
Total cash and cash equivalents	<b>318,003</b>	<b>3,775</b>	<b>69,840</b>	<b>15,745</b>
<b>Investments</b>				
Certificates of deposit	415,029	.....	.....	.....
U.S. government & federally guaranteed obligations	7,962,851	.....	.....	.....
Federal agencies	10,133,810	.....	.....	.....
Commercial paper	6,948,139	.....	.....	.....
Repurchase agreements	1,000,000	.....	.....	.....
Bonds and notes	9,115,746	.....	1,087,767	.....
International bonds and notes	3,202,165	.....	.....	.....
Real estate contracts	7,285,791	.....	.....	.....
Mutual fund investments	8,073,939	.....	1,424,229	.....
Money market and short-term investments	6,444	.....	7,000	.....
Domestic equity	35,120,466	.....	10,842	.....
Limited partnerships	9,041,609	.....	.....	.....
Equity group trust	1,235	.....	.....	.....
International equity	35,455,575	.....	2,377	.....
Deferred compensation annuities	.....	.....	41,036	.....
Other investments	1,017	.....	.....	.....
Total investments	<b>133,763,816</b>	<b>.....</b>	<b>2,573,251</b>	<b>.....</b>
<b>Receivables</b>				
Accounts receivable	8,430	.....	126	3
State contributions receivable	63,067	81	.....	.....
Nonstate contributions receivable	277,545	17	.....	.....
Interest receivable	195,752	8	5	61
Dividends receivable	173,732	.....	.....	.....
Pending investment sales	2,635,730	.....	.....	.....
Forward contracts	190,593	.....	.....	.....
Due from state funds	.....	.....	.....	.....
Total receivables	<b>3,544,849</b>	<b>106</b>	<b>131</b>	<b>64</b>
Security lending collateral	4,453,438	.....	.....	.....
Capital assets	893	.....	.....	.....
Accumulated depreciation	(515)	.....	.....	.....
Other assets	8,144	.....	.....	.....
Total assets	<b>142,088,628</b>	<b>3,881</b>	<b>2,643,222</b>	<b>15,809</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	68,612	81	.....	27
Due to other funds	18,072	.....	.....	3
DROP	2,543,636	.....	.....	.....
Pending investment purchases	6,674,280	.....	.....	.....
Short sell obligations	1,377,134	.....	.....	.....
Forward contracts payable	190,879	.....	.....	.....
Broker rebate fees	106	.....	.....	.....
Obligations under security lending agreements	4,566,093	98	252	1,396
Claims payable	.....	.....	.....	2,984
Deposits payable	.....	.....	.....	7,975
Compensated absences	945	28	.....	69
Other liabilities	640	6	.....	5,083
Total liabilities	<b>15,440,397</b>	<b>213</b>	<b>252</b>	<b>17,537</b>
<b>NET ASSETS</b>				
Held in trust for pension benefits and other purposes	\$ 126,648,231	\$ 3,668	\$ 2,642,970	\$ (1,728)

**2011 STATE OF FLORIDA CAFR**

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<b>Retiree Health Insurance Subsidy</b>	<b>Defined Contribution Pension Plan</b>	<b>Totals 6/30/11</b>
\$ 580	\$ 863	\$ 314,702
191	.....	94,295
<b>771</b>	<b>863</b>	<b>408,997</b>
45,506	.....	460,535
.....	.....	7,962,851
9,468	.....	10,143,278
165,127	.....	7,113,266
.....	.....	1,000,000
7,467	.....	10,210,980
5,002	.....	3,207,167
.....	.....	7,285,791
.....	5,695,866	15,194,034
92	1,041,048	1,054,584
.....	.....	35,131,308
.....	.....	9,041,609
.....	.....	1,235
.....	.....	35,457,952
.....	.....	41,036
.....	.....	1,017
<b>232,662</b>	<b>6,736,914</b>	<b>143,306,643</b>
.....	378	8,937
6,833	12,450	82,431
30,980	39,642	348,184
121	.....	195,947
.....	904	174,636
.....	.....	2,635,730
.....	.....	190,593
.....	64	64
<b>37,934</b>	<b>53,438</b>	<b>3,636,522</b>
.....	.....	4,453,438
.....	.....	893
.....	.....	(515)
.....	.....	8,144
<b>271,367</b>	<b>6,791,215</b>	<b>151,814,122</b>
10	1,972	70,702
9	1,315	19,399
.....	.....	2,543,636
.....	.....	6,674,280
.....	.....	1,377,134
.....	.....	190,879
.....	.....	106
.....	.....	4,567,839
.....	.....	2,984
.....	.....	7,975
.....	.....	1,042
.....	.....	5,729
<b>19</b>	<b>3,287</b>	<b>15,461,705</b>
<b>\$ 271,348</b>	<b>\$ 6,787,928</b>	<b>\$ 136,352,417</b>

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
<b>ADDITIONS</b>				
<u>Contributions and other deposits</u>				
Pension fund contributions - state	\$ 647,473	\$ 153,559	\$ .....	\$ .....
Pension fund contributions - nonstate	2,381,472	191	.....	.....
Employer/employee contributions	101	.....	.....	148,385
Purchase of time by employees	25,018	66,543	.....	.....
Fees	.....	.....	1,324	.....
Flexible benefits contributions	.....	.....	250,740	.....
Transfers in from state funds	33,495	.....	.....	56
Total contributions and other deposits	<b>3,087,559</b>	<b>220,293</b>	<b>252,064</b>	<b>148,441</b>
<u>Investment income</u>				
Interest income	1,184,190	63	49	477
Dividends	1,779,620	.....	.....	.....
Other investment income	458,176	.....	.....	.....
Net increase (decrease) in fair market value	21,098,311	.....	341,534	.....
Total investment income (loss)	<b>24,520,297</b>	<b>63</b>	<b>341,583</b>	<b>477</b>
Investment activity expense	(338,873)	(4)	.....	(27)
Net income (loss) from investing activity	<b>24,181,424</b>	<b>59</b>	<b>341,583</b>	<b>450</b>
<u>Security lending activity</u>				
Security lending income	45,724	.....	.....	.....
Security lending expense	(12,269)	.....	.....	.....
Net income from security lending	33,455	.....	.....	.....
Total net investment income (loss)	<b>24,214,879</b>	<b>59</b>	<b>341,583</b>	<b>450</b>
Other additions	2,800	.....	71	.....
Total additions	<b>27,305,238</b>	<b>220,352</b>	<b>593,718</b>	<b>148,891</b>
<b>DEDUCTIONS</b>				
Benefit payments	6,685,395	.....	169,508	.....
Supplemental insurance payments	.....	.....	.....	68,192
Flexible reimbursement payments	.....	.....	.....	27,084
Life insurance premium payments	.....	.....	.....	33,666
Remittances to annuity companies	.....	219,499	.....	.....
Insurance claims expense	.....	.....	.....	56
Interest expense	.....	.....	3	.....
Administrative expense	32,522	146	51	3,616
Property disposition gain (loss)	1	.....	.....	.....
Transfers out to state funds	1,184,267	1	1,438	17,485
Other deductions	213	7	.....	4
Total deductions	<b>7,902,398</b>	<b>219,653</b>	<b>171,000</b>	<b>150,103</b>
Change in net assets	<b>19,402,840</b>	<b>699</b>	<b>422,718</b>	<b>(1,212)</b>
Net assets - beginning	<b>107,245,391</b>	<b>2,969</b>	<b>2,220,252</b>	<b>(516)</b>
Net assets - ending	<b>\$ 126,648,231</b>	<b>\$ 3,668</b>	<b>\$ 2,642,970</b>	<b>\$ (1,728)</b>

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	Totals 6/30/11
\$ 69,636	\$ 117,978	\$ 988,646
264,813	385,982	3,032,458
.....	.....	148,486
.....	2,006	93,567
.....	.....	1,324
.....	.....	250,740
.....	1,183,161	1,216,712
<b>334,449</b>	<b>1,689,127</b>	<b>5,731,933</b>
1,573	7	1,186,359
.....	27,719	1,807,339
.....	80	458,256
111	906,142	22,346,098
<b>1,684</b>	<b>933,948</b>	<b>25,798,052</b>
(3)	(2,490)	(341,397)
<b>1,681</b>	<b>931,458</b>	<b>25,456,655</b>
.....	.....	45,724
.....	.....	(12,269)
.....	.....	33,455
<b>1,681</b>	<b>931,458</b>	<b>25,490,110</b>
.....	.....	2,871
<b>336,130</b>	<b>2,620,585</b>	<b>31,224,914</b>
356,150	873,862	8,084,915
.....	.....	68,192
.....	.....	27,084
.....	.....	33,666
.....	.....	219,499
.....	.....	56
.....	.....	3
91	9,280	45,706
.....	.....	1
.....	41,595	1,244,786
.....	.....	224
<b>356,241</b>	<b>924,737</b>	<b>9,724,132</b>
(20,111)	1,695,848	21,500,782
<b>291,459</b>	<b>5,092,080</b>	<b>114,851,635</b>
<b>\$ 271,348</b>	<b>\$ 6,787,928</b>	<b>\$ 136,352,417</b>

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## **INVESTMENT TRUST FUNDS**

### **EXTERNAL TREASURY POOL**

This fund, administered by the State Treasury, is used to account for the external portion of the State Treasurer's Investment Pool.

### **INVESTMENT POOL A**

This fund, administered by the State Board of Administration, is used to account for the external portion of the Local Government Surplus Funds Trust Fund (an investment pool) reported by the state.

### **INVESTMENT POOL B**

As authorized in Section 218.417, Florida Statutes, this fund, administered by the State Board of Administration, is used to account for the external portion of the Fund B Surplus Funds Trust Fund (an investment pool) reported by the state.

### **OTHER INVESTMENT TRUST FUNDS**

This fund, administered by the State Board of Administration, is used to account for the external portion of the Commingled Asset Management Program Fixed Income Investment Pool.

**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
INVESTMENT TRUST FUNDS  
JUNE 30, 2011  
(in thousands)**

	External Treasury Pool	Investment Pool A	Investment Pool B	Other Investment Trust Funds	Totals 6/30/11
<b>ASSETS</b>					
Cash and cash equivalents	\$ ..... 1,748,119	\$ 215	\$ ..... .....	\$ ..... .....	\$ 215 1,748,119
Pooled investments with State Treasury					
Total cash and cash equivalents	1,748,119	215	.....	.....	1,748,334
<b>Investments</b>					
Certificates of deposit	.....	2,361,229	.....	.....	2,361,229
U.S. government & federally guaranteed obligations	.....	25,972	.....	.....	25,972
Commercial paper	.....	1,708,551	.....	.....	1,708,551
Repurchase agreements	.....	1,270,260	.....	.....	1,270,260
Bonds and notes	.....	31,104	197,032	38	228,174
International bonds and notes	.....	38,886	.....	.....	38,886
Money market and short-term investments	.....	458,167	3,534	1	461,702
Total investments	.....	5,894,169	200,566	39	6,094,774
<b>Receivables</b>					
Interest receivable	.....	2,684	6	.....	2,690
Total receivables	.....	2,684	6	.....	2,690
Other assets	.....	17	.....	.....	17
Total assets	1,748,119	5,897,085	200,572	39	7,845,815
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	.....	136	21	.....	157
Due to other funds	.....	29	1	.....	30
Due to other governments	.....	215	.....	.....	215
Obligations under security lending agreements	189,319	.....	.....	.....	189,319
Total liabilities	189,319	380	22	.....	189,721
<b>NET ASSETS</b>					
Held in trust for pool participants	\$ 1,558,800	\$ 5,896,705	\$ 200,550	\$ 39	\$ 7,656,094

**2011 STATE OF FLORIDA CAFR**

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**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

**INVESTMENT TRUST FUNDS**

**JUNE 30, 2011**

(in thousands)

	External Treasury Pool	Investment Pool A	Investment Pool B	Other Investment Trust Funds	Totals 6/30/11
<b>ADDITIONS</b>					
<u>Contributions and other deposits</u>					
Fines, forfeits, settlements and judgments	\$ .....\$ .....\$ 17,487	.....	.....	.....	\$ 17,487
Transfers in from state funds	.....	67,268	.....	.....	67,268
Total contributions and other deposits	.....	67,268	17,487	.....	84,755
<u>Investment income</u>					
Interest income	37,740	17,519	2,601	.....	57,860
Net increase (decrease) in fair market value	.....	.....	31,535	6	31,541
Total investment income (loss)	37,740	17,519	34,136	6	89,401
<u>Investment activity expense</u>					
	(1,966)	(1,345)	(176)	.....	(3,487)
Total net investment income (loss)	35,774	16,174	33,960	6	85,914
<u>Total additions</u>					
	35,774	83,442	51,447	6	170,669
<b>DEDUCTIONS</b>					
<u>Administrative expense</u>					
	.....	57	.....	.....	57
Transfers out to state funds	.....	.....	67,268	.....	67,268
Total deductions	.....	57	67,268	.....	67,325
<u>Depositor activity</u>					
Deposits	1,174,840	14,080,251	.....	.....	15,255,091
Withdrawals	(1,305,778)	(13,234,893)	.....	(9)	(14,540,680)
Excess (deficiency) of deposits over withdrawals	(130,938)	845,358	.....	(9)	714,411
Change in net assets	(95,164)	928,743	(15,821)	(3)	817,755
Net assets, beginning	1,653,964	4,967,962	216,371	42	6,838,339
Net assets, ending	\$ 1,558,800	\$ 5,896,705	\$ 200,550	\$ 39	\$ 7,656,094

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## **AGENCY FUNDS**

### **TAX DISTRIBUTION AND ADMINISTRATION**

These agency funds administered by the Department of Revenue are primarily used to account for taxes collected by the Department that are held for other municipalities, local governments, or outside entities.

### **OTHER**

These agency funds administered by various agencies are used to account for resources held in trust for entities outside of the State government and for the asset and liability balance related to retiree health care.

### **SCHOOL FOR THE DEAF AND THE BLIND**

These agency funds administered by the School for the Deaf and the Blind are used to account for resources held for students.

### **STATE BOARD OF ADMINISTRATION**

These agency funds administered by the State Board of Administration are primarily used to account for escrowed bond funds.

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**2011 STATE OF FLORIDA CAFR**

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**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**

**AGENCY FUNDS**

**JUNE 30, 2011**

**(in thousands)**

	Tax Distribution and Administration	Other	School for the Deaf and the Blind	State Board of Administration	Totals 6/30/11
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,202	\$ 21,384	\$ 50	\$ 3,794	\$ 31,430
Pooled investments with State Treasury	657,731	156,615	.....	594,740	1,409,086
Total cash and cash equivalents	663,933	177,999	50	598,534	1,440,516
<b>Investments</b>					
U.S. government & federally guaranteed obligations	.....	.....	.....	137,039	137,039
Federal agencies	.....	.....	.....	19,707	19,707
Other investments	.....	100	.....	.....	100
Total investments	.....	100	.....	156,746	156,846
<b>Receivables</b>					
Accounts receivable	467,332	17,852	.....	.....	485,184
Interest receivable	.....	854	.....	3,613	4,467
Due from state funds	49,453	20,743	.....	.....	70,196
Total receivables	516,785	39,449	.....	3,613	559,847
Total assets	\$ 1,180,718	\$ 217,548	\$ 50	\$ 758,893	\$ 2,157,209
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 578,898	\$ 32,597	\$ 50	\$ 5,231	\$ 616,776
Due to other funds	92,958	964	.....	68	93,990
Due to other governments	508,862	3,073	.....	8,872	520,807
Obligations under security lending agreements	.....	15,553	.....	64,410	79,963
Claims payable	.....	16,673	.....	.....	16,673
Deposits payable	.....	148,688	.....	680,312	829,000
Total liabilities	\$ 1,180,718	\$ 217,548	\$ 50	\$ 758,893	\$ 2,157,209

**2011 STATE OF FLORIDA CAFR**

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**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

<u>Tax Distribution and Administration</u>	Balance 6/30/10	Additions	Deductions	Balance 6/30/11
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,787	\$ 6,202	\$ 1,787	\$ 6,202
Pooled investments with State Treasury	583,830	14,708,705	14,634,804	657,731
Accounts receivable	401,069	467,332	401,069	467,332
Due from state funds	35,518	2,257,888	2,243,953	49,453
Total assets	<u>\$ 1,022,204</u>	<u>\$ 17,440,127</u>	<u>\$ 17,281,613</u>	<u>\$ 1,180,718</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 521,615	\$ 1,050,177	\$ 992,894	\$ 578,898
Due to other funds	49,593	304,136	260,771	92,958
Due to other governments	450,996	4,926,528	4,868,662	508,862
Total liabilities	<u>\$ 1,022,204</u>	<u>\$ 6,280,841</u>	<u>\$ 6,122,327</u>	<u>\$ 1,180,718</u>
<b>Other</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,134	\$ 208,440	\$ 203,190	\$ 21,384
Pooled investments with State Treasury	182,941	1,888,923	1,915,249	156,615
Investments	150	.....	50	100
Accounts receivable	24,481	5,027	11,656	17,852
Nonstate contributions receivable	7	.....	7	.....
Interest receivable	786	2,831	2,763	854
Due from state funds	22,987	1,144	3,388	20,743
Total assets	<u>\$ 247,486</u>	<u>\$ 2,106,365</u>	<u>\$ 2,136,303</u>	<u>\$ 217,548</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 36,216	\$ 295,625	\$ 299,244	\$ 32,597
Due to other funds	1,110	1,739	1,885	964
Due to other governments	35,067	1,480	33,474	3,073
Due to component units	7,153	135	7,288	.....
Obligations under security lending agreements	14,190	2,550	1,187	15,553
Claims Payable	17,666	.....	993	16,673
Deposits payable	136,084	36,726	24,122	148,688
Total liabilities	<u>\$ 247,486</u>	<u>\$ 338,255</u>	<u>\$ 368,193</u>	<u>\$ 217,548</u>
<b>School for the Deaf and the Blind</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 54	\$ 67	\$ 71	\$ 50
Total assets	<u>\$ 54</u>	<u>\$ 67</u>	<u>\$ 71</u>	<u>\$ 50</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 54	\$ 67	\$ 71	\$ 50
Total liabilities	<u>\$ 54</u>	<u>\$ 67</u>	<u>\$ 71</u>	<u>\$ 50</u>

**2011 STATE OF FLORIDA CAFR**

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**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

<u>State Board of Administration</u>	<u>Balance 6/30/10</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/11</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 24	\$ 2,844,105	\$ 2,840,335	\$ 3,794
Pooled investments with State Treasury	1,463	1,593,447	1,000,170	594,740
Investments	526,524	259,459	629,237	156,746
Interest receivable	10,962	6,758	14,107	3,613
Total assets	<b>\$ 538,973</b>	<b>\$ 4,703,769</b>	<b>\$ 4,483,849</b>	<b>\$ 758,893</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 48	\$ 42,686	\$ 37,503	\$ 5,231
Due to other funds	2,154	155	2,241	68
Due to other governments	8,284	97,961	97,373	8,872
Obligations under security lending agreements	150	64,260	.....	64,410
Deposits payable	528,337	2,598,807	2,446,832	680,312
Total liabilities	<b>\$ 538,973</b>	<b>\$ 2,803,869</b>	<b>\$ 2,583,949</b>	<b>\$ 758,893</b>
<b>Totals - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,999	\$ 3,058,814	\$ 3,045,383	\$ 31,430
Pooled investments with State Treasury	768,234	18,191,075	17,550,223	1,409,086
Investments	526,674	259,459	629,287	156,846
Accounts receivable	425,550	472,359	412,725	485,184
Nonstate contributions receivable	7	.....	7	.....
Interest receivable	11,748	9,589	16,870	4,467
Due from state funds	58,505	2,259,032	2,247,341	70,196
Total assets	<b>\$ 1,808,717</b>	<b>\$ 24,250,328</b>	<b>\$ 23,901,836</b>	<b>\$ 2,157,209</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 557,933	\$ 1,388,555	\$ 1,329,712	\$ 616,776
Due to other funds	52,857	306,030	264,897	93,990
Due to other governments	494,347	5,025,969	4,999,509	520,807
Due to component units	7,153	135	7,288	.....
Obligations under security lending agreements	14,340	66,810	1,187	79,963
Claims Payable	17,666	.....	993	16,673
Deposits payable	664,421	2,635,533	2,470,954	829,000
Total liabilities	<b>\$ 1,808,717</b>	<b>\$ 9,423,032</b>	<b>\$ 9,074,540</b>	<b>\$ 2,157,209</b>

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## **NONMAJOR COMPONENT UNITS**

### **WATER MANAGEMENT DISTRICTS**

These districts were created in accordance with Section 373.069, Florida Statutes, to provide for the management and conservation of water and related land resources. Refer to Note 1 for additional information.

### **OTHER STATE UNIVERSITIES**

This category includes 10 state universities. Refer to Note 1 for additional information.

### **FLORIDA COLLEGES**

This category includes 28 Florida College System Institutions. Refer to Note 1 for additional information.

### **OTHER NONMAJOR COMPONENT UNITS**

Other nonmajor component units include various foundations and not-for-profit organizations. Refer to Note 1 for additional information.

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**2011 STATE OF FLORIDA CAFR**

**COMBINING STATEMENT OF NET ASSETS**

**NONMAJOR COMPONENT UNITS**

**JUNE 30, 2011**

(in thousands)

	Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/11
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 533,158	\$ 367,279	\$ 184,398	\$ 164,129	\$ 1,248,964
Pooled investments with State Treasury	47,915	1,203,094	281,669	48,201	1,580,879
Other investments	1,196,440	2,100,058	539,780	857,954	4,694,232
Receivables, net	28,715	387,897	466,890	132,275	1,015,777
Due from component units/primary	39,190	573,703	93,750	7,936	714,579
Inventories	4,458	8,969	14,930	10,699	39,056
Restricted cash and cash equivalents	.....	202,282	249,520	40,347	492,149
Restricted pooled investments with State Treasury	.....	216,746	267,282	.....	484,028
Restricted investments	173,499	957,006	936,208	448	2,067,161
Other loans and notes receivable, net	.....	56,756	21,116	1,190	79,062
Other assets	6,527	214,450	72,847	3,076	296,900
Capital assets, net	6,582,487	7,604,430	3,606,674	593,274	18,386,865
Total assets	8,612,389	13,892,670	6,735,064	1,859,529	31,099,652
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	162,507	333,433	282,513	867,579	1,646,032
Due to component units/primary	131	147,603	7,265	351	155,350
Deferred revenues	21,223	363,935	20,734	22,771	428,663
Long-term liabilities					
Due within one year	118,620	146,809	64,322	56,102	385,853
Due in more than one year	659,161	2,649,937	399,024	14,319	3,722,441
Total liabilities	961,642	3,641,717	773,858	961,122	6,338,339
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	6,157,591	5,590,294	3,416,520	540,334	15,704,739
Restricted for					
Debt service	34,859	34,238	74	.....	69,171
Other	326,792	974,222	24,798	.....	1,325,812
Funds held for permanent endowment					
Expendable	.....	177,472	1,463,923	.....	1,641,395
Nonexpendable	.....	1,610,854	435,884	.....	2,046,738
Unrestricted	1,131,505	1,863,873	620,007	358,073	3,973,458
Total net assets	\$ 7,650,747	\$ 10,250,953	\$ 5,961,206	\$ 898,407	\$ 24,761,313

**2011 STATE OF FLORIDA CAFR**

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**COMBINING STATEMENT OF ACTIVITIES  
NONMAJOR COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(in thousands)**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Management Districts	\$ 890,465	\$ 28,346	\$ 107,580	\$ 203,895
Other State Universities	5,684,403	1,859,512	1,931,110	349,226
Florida Colleges	3,398,510	704,216	1,559,285	345,588
Other Nonmajor Component Units	829,663	156,817	456,498	27,711
Total component units	<b>\$ 10,803,041</b>	<b>\$ 2,748,891</b>	<b>\$ 4,054,473</b>	<b>\$ 926,420</b>

General revenues  
 Property taxes  
 Investment earnings  
 Gain (loss) on sale of capital assets  
 Payments from the State of Florida  
 Miscellaneous  
 Contributions to permanent funds  
 Total general revenues and contributions  
 Change in net assets  
 Net assets - beginning  
 Net assets - ending

Net (Expense) Revenue and Changes in Net Assets

Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/11
\$ (550,644)	\$ ..... ..... ..... .....	\$ ..... (1,544,555) (789,421) .....	\$ ..... ..... ..... (188,637)	\$ (550,644) (1,544,555) (789,421) (188,637)
	(550,644)	(1,544,555)	(789,421)	(188,637)
				(3,073,257)

790,649	.....	.....	.....	790,649
13,992	373,371	128,753	119,519	635,635
74	(8,050)	.....	.....	(7,976)
.....	1,595,632	1,038,231	.....	2,633,863
29,156	296,022	6,616	149,779	481,573
.....	19,440	4,642	.....	24,082
833,871	2,276,415	1,178,242	269,298	4,557,826
283,227	731,860	388,821	80,661	1,484,569
7,367,520	9,519,093	5,572,385	817,746	23,276,744
\$ 7,650,747	\$ 10,250,953	\$ 5,961,206	\$ 898,407	\$ 24,761,313

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# **STATISTICAL SECTION**

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# STATISTICAL SECTION

## Table of Contents

This section of the State of Florida's CAFR provides additional detailed information for use in assessing the financial condition of the government.

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**2011 STATE OF FLORIDA CAFR**

**Net Assets by Component  
For the Last Ten Fiscal Years  
(in thousands)  
(Accrual Basis of Accounting)**

**SCHEDULE A-1**

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Governmental Activities</b>					
Invested in capital assets, net of related debt	\$ 38,329,290	\$ 40,382,471	\$ 41,779,939	\$ 43,469,131	\$ 46,546,117
Restricted					
Environment, Recreation and Conservation	2,426,345	2,234,858	2,058,225	2,251,215	2,974,802
Public Education <sup>(1), (2)</sup>	246,260	1,098,987	1,019,230	1,037,249	.....
Health and Family Services	537,474	701,820	642,614	682,991	800,337
Transportation	897,742	975,640	804,510	1,017,620	1,624,834
Tax Collection and Administration <sup>(1)</sup>	187,855	200,005	208,388	220,221	.....
Employment Services <sup>(1)</sup>	214,204	288,006	350,380	405,403	.....
Nonmajor governmental funds	864,616	655,501	321,728	339,061	2,056,047
Debt Service	445,994	79,921	75,732	82,955	75,671
Other	.....	.....	.....	.....	.....
Funds held for permanent endowment					
Expendable	.....	.....	.....	.....	.....
Nonexpendable	1,295,901	1,528,134	1,739,038	1,873,866	2,023,738
Unrestricted	(10,289,643)	(10,107,344)	(7,990,134)	(6,051,178)	(5,844,743)
Total governmental activities net assets	\$ 35,156,038	\$ 38,037,999	\$ 41,009,650	\$ 45,328,534	\$ 50,256,803
Percent change from prior year	N/A	8.20%	7.81%	10.53%	10.87%
<b>Business-type Activities</b>					
Invested in capital assets, net of related debt	\$ 3,061,253	\$ 3,145,435	\$ 2,890,246	\$ 3,331,056	\$ 3,829,792
Restricted					
Transportation	.....	.....	.....	.....	.....
Lottery	232,248	350,440	201,371	204,037	98,472
Prepaid College Program <sup>(3)</sup>	.....	.....	.....	.....	583,816
Hurricane Catastrophe Fund	4,362,126	4,942,992	5,476,178	2,387,054	.....
Unemployment compensation	1,556,012	1,382,235	1,372,721	1,698,824	2,185,249
Other	.....	121,088	252,193	395,216	211,257
Unrestricted	177,772	228,259	591,731	310,405	(1,103,433)
Total business-type activities net assets	\$ 9,389,411	\$ 10,170,449	\$ 10,784,440	\$ 8,326,592	\$ 5,805,153
Percent change from prior year	N/A	8.32%	6.04%	-22.79%	-30.28%
<b>Total Primary Government</b>					
Invested in capital assets, net of related debt	\$ 41,390,543	\$ 43,527,906	\$ 44,670,185	\$ 46,800,187	\$ 50,375,909
Restricted					
Environment, Recreation and Conservation	2,426,345	2,234,858	2,058,225	2,251,215	2,974,802
Public Education <sup>(1), (2)</sup>	246,260	1,098,987	1,019,230	1,037,249	.....
Health and Family Services	537,474	701,820	642,614	682,991	800,337
Transportation <sup>(3)</sup>	897,742	975,640	804,510	1,017,620	1,624,834
Tax Collection and Administration <sup>(1)</sup>	187,855	200,005	208,388	220,221	.....
Employment Services <sup>(1)</sup>	214,204	288,006	350,380	405,403	.....
Nonmajor governmental funds <sup>(1)</sup>	770,274	653,567	321,728	339,061	2,056,047
Debt Service	445,994	79,921	75,732	82,955	75,671
Lottery	232,248	350,440	201,371	204,037	98,472
Prepaid College Program <sup>(4)</sup>	.....	.....	.....	.....	583,816
Hurricane Catastrophe Fund	4,362,126	4,942,992	5,476,178	2,387,054	.....
Unemployment Compensation	1,556,012	1,382,235	1,372,721	1,698,824	2,185,249
Other <sup>(3)</sup>	94,342	123,022	252,193	395,216	211,257
Funds held for permanent endowment					
Expendable	.....	.....	.....	.....	.....
Nonexpendable	1,295,901	1,528,134	1,739,038	1,873,866	2,023,738
Unrestricted	(10,111,871)	(9,879,085)	(7,398,403)	(5,740,773)	(6,948,176)
Total primary government net assets	\$ 44,545,449	\$ 48,208,448	\$ 51,794,090	\$ 53,655,126	\$ 56,061,956
Percent change from prior year	N/A	8.22%	7.44%	3.59%	4.49%

Note: Reporting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. See Schedule A-2 for changes on net assets from year to year.

<sup>(1)</sup> Tax Collection and Administration, Public Education, and Employment Services were reclassified as nonmajor as of July 1, 2005.

<sup>(2)</sup> Public Education was reclassified as major as of July 1, 2007.

<sup>(3)</sup> Restricted Net Assets that were currently classified as "Other" are now being reported as "Transportation."

<sup>(4)</sup> Florida Prepaid College Program was reclassified as major business-type fund as of July 1, 2005.

## 2011 STATE OF FLORIDA CAFR

## SCHEDULE A-1

Fiscal Year									
2007		2008		2009		2010		2011	
\$ 49,603,845	\$ 51,937,584	\$ 54,585,016	\$ 56,935,300	\$ 57,100,033					
2,861,436	2,910,269	2,563,254	2,440,804	2,359,437					
.....	1,438,845	1,223,164	1,064,284	700,343					
843,301	760,644	835,026	1,166,423	2,117,546					
1,680,338	1,564,767	1,131,641	1,092,578	1,440,141					
.....	.....	.....	.....	.....					
.....	.....	.....	.....	.....					
2,664,650	1,852,966	1,886,160	1,666,747	1,401,380					
72,890	84,221	142,933	247,039	286,787					
.....	.....	.....	476,495	173,331					
44,830	409,958	.....	.....	.....					
2,287,402	1,312,289	.....	.....	.....					
(7,552,727)	(11,996,949)	(15,242,901)	(15,840,018)	(15,117,243)					
\$ 52,505,965	\$ 50,274,594	\$ 47,124,293	\$ 49,249,652	\$ 50,461,755					
4.48%	-4.25%	-6.27%	4.51%	2.46%					
\$ 4,164,740	\$ 4,360,753	\$ 4,929,637	\$ 4,910,794	\$ 5,256,229					
.....	154,853	.....	.....	.....					
90,869	158,532	120,944	132,687	120,722					
842,793	727,678	345,340	483,365	591,401					
.....	856,986	1,749,163	3,230,193	4,729,314					
2,286,489	1,974,312	63,026	(903,588)	(1,058,871)					
198,010	.....	221,745	269,844	279,983					
393,589	622,176	278,870	613,896	549,270					
\$ 7,976,490	\$ 8,855,290	\$ 7,708,725	\$ 8,737,191	\$ 10,468,048					
37.40%	11.02%	-12.95%	13.34%	19.81%					
\$ 53,768,585	\$ 56,298,337	\$ 59,514,653	\$ 61,846,094	\$ 62,356,262					
2,861,436	2,910,269	2,563,254	2,440,804	2,359,437					
.....	1,438,845	1,223,164	1,064,284	700,343					
843,301	760,644	835,026	1,166,423	2,117,546					
1,680,338	1,719,620	1,131,641	1,092,578	1,440,141					
.....	.....	.....	.....	.....					
.....	.....	.....	.....	.....					
2,664,650	1,852,966	1,886,160	1,666,747	1,401,380					
72,890	84,221	142,933	247,039	286,787					
90,869	158,532	120,944	132,687	120,722					
842,793	727,678	345,340	483,365	591,401					
.....	856,986	1,749,163	3,230,193	4,729,314					
2,286,489	1,974,312	63,026	(903,588)	(1,058,871)					
198,010	.....	221,745	746,339	453,314					
44,830	409,958	.....	.....	.....					
2,287,402	1,312,289	.....	.....	.....					
(7,159,138)	(11,374,773)	(14,964,031)	(15,226,122)	(14,567,973)					
\$ 60,482,455	\$ 59,129,884	\$ 54,833,018	\$ 57,986,843	\$ 60,929,803					
7.89%	-2.24%	-7.27%	5.75%	5.08%					

**Changes in Net Assets  
For the Last Ten Fiscal Years  
(in thousands)**  
(Accrual Basis of Accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Expenses</b>					
Governmental activities:					
General government	\$ 6,499,588	\$ 6,273,119	\$ 6,637,809	\$ 6,902,109	\$ 7,410,799
Education	14,488,469	15,120,426	16,413,985	17,439,674	18,210,639
Human services	14,973,427	16,638,643	18,119,304	19,865,453	19,765,378
Criminal justice and corrections	3,065,808	3,103,379	3,285,460	3,466,376	3,811,677
Natural resources and environment	1,737,772	1,945,496	2,038,909	3,298,381	4,284,896
Transportation	2,070,684	2,397,921	2,632,638	3,147,739	3,308,209
State courts	279,821	278,589	273,091	367,941	414,044
Indirect interest on long-term debt	.....	1,832	17,526	20,028	7,062
Total governmental activities expenses	43,115,569	45,759,405	49,418,722	54,507,701	57,212,704
Business-type activities:					
Transportation	261,540	286,254	316,629	321,595	329,966
Lottery	1,595,011	2,000,291	2,170,062	2,528,646	2,874,533
Hurricane Catastrophe Fund	40,876	32,924	35,844	3,811,900	4,758,156
Prepaid College Program	.....	.....	.....	.....	459,404
Unemployment Compensation	1,485,594	1,485,479	1,330,824	981,954	.....
Nonmajor enterprise funds	158,478	156,979	159,046	176,683	994,182
Total business-type activities expenses	3,541,499	3,961,927	4,012,405	7,820,778	9,416,241
Total primary government expenses	\$ 46,657,068	\$ 49,721,332	\$ 53,431,127	\$ 62,328,479	\$ 66,628,945
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government	\$ 2,608,450	\$ 2,515,133	\$ 2,913,634	\$ 3,469,736	\$ 3,485,512
Education	160,123	292,036	266,020	209,149	211,352
Human services	566,067	692,270	822,255	885,836	954,495
Criminal justice and corrections	227,347	176,606	210,415	192,988	267,248
Natural resources and environment	301,137	330,364	275,774	288,837	346,037
Transportation	544,175	263,274	246,640	174,836	651,776
State courts	13,790	8,775	10,226	13,517	17,187
Operating grants and contributions	12,159,433	13,538,407	15,874,370	17,492,835	18,057,457
Capital grants and contributions	1,326,135	1,699,464	1,522,849	1,998,133	1,374,611
Total governmental activities program revenues	17,906,657	19,516,329	22,142,183	24,725,867	25,365,675
Business-type activities:					
Charges for services					
Transportation	476,999	539,808	578,631	665,097	698,409
Lottery	2,568,469	3,154,034	3,073,191	3,635,052	3,993,788
Hurricane Catastrophe Fund	633,436	632,563	580,514	787,759	891,506
Prepaid College Program	.....	.....	.....	.....	502,579
Unemployment Compensation	739,855	823,410	1,059,811	1,253,872	.....
Nonmajor enterprise funds	321,304	330,922	276,832	264,304	1,552,136
Operating grants and contributions	184,354	394,770	258,398	49,151	45,214
Capital grants and contributions	256	911	9,259	432	307
Total business-type activities program revenues	4,924,673	5,876,418	5,836,636	6,655,667	7,683,939
Total primary government program revenues	\$ 22,831,330	\$ 25,392,747	\$ 27,978,819	\$ 31,381,534	\$ 33,049,614
<b>Net (Expense) Revenue<sup>(1)</sup></b>					
Governmental activities	\$ (25,208,912)	\$ (26,243,076)	\$ (27,276,539)	\$ (29,781,834)	\$ (31,847,029)
Business-type activities	1,383,174	1,914,491	1,824,231	(1,165,111)	(1,732,302)
Total primary government net (expense)	\$ (23,825,738)	\$ (24,328,585)	\$ (25,452,308)	\$ (30,946,945)	\$ (33,579,331)

## 2011 STATE OF FLORIDA CAFR

## SCHEDULE A-2

Fiscal Year						
	2007	2008	2009	2010	2011	
\$ 8,410,918	\$ 7,492,475	\$ 6,878,903	\$ 6,882,931	\$ 6,830,398		
19,739,622	20,459,549	18,722,159	18,946,684	20,423,515		
20,634,220	21,715,055	23,988,006	27,692,169	29,040,946		
3,992,990	4,296,298	4,037,197	4,448,382	4,534,992		
2,767,852	2,749,924	2,614,491	2,588,478	2,339,268		
3,545,752	4,098,203	3,850,791	3,176,790	3,613,936		
436,825	464,190	426,639	427,319	435,153		
11,731	12,314	15,586	18,759	6,751		
<b>59,539,910</b>	<b>61,288,008</b>	<b>60,533,772</b>	<b>64,181,512</b>	<b>67,224,959</b>		
403,982	446,489	402,235	383,106	385,564		
3,029,103	2,987,265	2,765,729	2,747,599	2,864,709		
241,568	1,044,927	676,970	362,318	236,475		
855,997	1,302,094	1,037,026	1,523,217	691,977		
.....	.....	4,307,809	7,656,494	5,743,471		
1,146,532	1,654,422	267,722	264,580	268,936		
<b>5,677,182</b>	<b>7,435,197</b>	<b>9,457,491</b>	<b>12,937,314</b>	<b>10,191,132</b>		
<b>\$ 65,217,092</b>	<b>\$ 68,723,205</b>	<b>\$ 69,991,263</b>	<b>\$ 77,118,826</b>	<b>\$ 77,416,091</b>		
\$ 3,765,988	\$ 3,167,668	\$ 3,411,639	\$ 3,938,356	\$ 4,092,321		
250,023	291,975	133,346	229,149	152,217		
1,302,926	1,020,441	1,629,514	1,156,988	1,491,338		
307,550	340,143	293,457	772,557	775,476		
368,511	451,363	346,240	400,700	382,261		
371,726	514,737	333,953	343,782	255,995		
18,512	19,479	43,385	421,501	232,771		
17,105,209	17,500,769	20,164,996	26,831,434	27,920,491		
2,163,715	2,144,946	1,986,579	1,974,293	2,058,453		
<b>25,654,160</b>	<b>25,451,521</b>	<b>28,343,109</b>	<b>36,068,760</b>	<b>37,361,323</b>		
766,190	738,450	747,347	700,803	699,675		
4,286,152	4,338,303	4,017,816	4,006,864	4,044,597		
1,476,660	1,188,703	1,242,072	1,524,012	1,358,918		
1,114,978	1,619,334	654,688	1,661,241	799,886		
.....	.....	931,516	1,242,684	1,722,484		
1,324,114	1,413,825	352,554	386,372	362,184		
39,258	29,476	1,665,431	5,453,925	3,863,733		
2,287	3,589	659	6,055	270		
<b>9,009,639</b>	<b>9,331,680</b>	<b>9,612,083</b>	<b>14,981,956</b>	<b>12,851,747</b>		
<b>\$ 34,663,799</b>	<b>\$ 34,783,201</b>	<b>\$ 37,955,192</b>	<b>\$ 51,050,716</b>	<b>\$ 50,213,070</b>		
\$ (33,885,750)	\$ (35,836,487)	\$ (32,190,663)	\$ (28,112,752)	\$ (29,863,636)		
3,332,457	1,896,483	154,592	2,044,642	2,660,615		
<b>\$ (30,553,293)</b>	<b>\$ (33,940,004)</b>	<b>\$ (32,036,071)</b>	<b>\$ (26,068,110)</b>	<b>\$ (27,203,021)</b>	<b>Continues</b>	

**2011 STATE OF FLORIDA CAFR**

**Changes in Net Assets  
For the Last Ten Fiscal Years  
(in thousands)  
(Accrual Basis of Accounting)**

**SCHEDULE A-2**

(Continued)

**General Revenues and Other Changes in  
Net Assets**

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Governmental activities:</b>					
Taxes					
Sales and use tax	\$ 15,601,244	\$ 15,561,382	\$ 17,128,515	\$ 19,056,249	\$ 20,729,364
Fuel taxes	2,100,946	2,199,375	2,316,572	2,414,012	2,591,946
Corporate income tax	1,210,346	1,228,130	1,441,338	1,785,213	2,363,056
Documentary stamp tax	1,590,981	2,005,168	2,613,194	3,376,210	4,051,479
Intangible personal property tax	737,776	820,212	860,046	998,904	1,104,008
Communication service tax	779,167	1,230,132	1,250,208	1,343,835	1,433,092
Beverage and tobacco taxes	990,271	1,001,636	1,041,042	1,088,542	1,102,408
Insurance premium tax	504,422	624,369	711,145	764,559	879,079
Gross receipts utilities tax	526,586	424,146	462,172	496,725	585,520
Other taxes	1,396,833	1,281,391	1,088,378	1,010,806	477,156
Investment earnings (loss)	418,916	720,280	(66,838)	300,620	174,039
Gain (loss) on sale of capital assets	.....	.....	.....	.....	(75,501)
Miscellaneous	113,620	.....	11	.....	.....
Transfers	1,070,190	1,257,679	1,216,769	1,249,753	1,321,420
Total governmental activities	27,041,298	28,353,900	30,062,552	33,885,428	36,737,066
 <b>Business-type activities:</b>					
Investment earnings	20,078	19,197	13,181	28,872	15,877
Gain (loss) on sale of capital assets	950	.....	(17,063)	(17,018)	(10,341)
Emergency assessments	.....	.....	.....	.....	.....
Miscellaneous	3,081	171	(2,544)	(1,272)	(808)
Transfers	(1,070,190)	(1,257,679)	(1,216,769)	(1,249,753)	(1,321,420)
Total business-type activities	(1,046,081)	(1,238,311)	(1,223,195)	(1,239,171)	(1,316,692)
Total primary government	\$ 25,995,217	\$ 27,115,589	\$ 28,839,357	\$ 32,646,257	\$ 35,420,374
 <b>Change in Net Assets</b>					
Governmental activities	\$ 1,832,386	\$ 2,110,824	\$ 2,786,013	\$ 4,103,594	\$ 4,890,035
Business-type activities <sup>(2)</sup>	337,093	676,180	601,036	(2,404,282)	(3,048,994)
Total primary government <sup>(3)</sup>	\$ 2,169,479	\$ 2,787,004	\$ 3,387,049	\$ 1,699,312	\$ 1,841,041

<sup>(1)</sup> Net (Expense) Revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants and its reliance upon funding from general revenues.

<sup>(2)</sup> In 2005 and 2006, the business-type activities expenses increased primarily as a result of an increase in hurricane reinsurance claims.

<sup>(3)</sup> See Schedule A-1 for ending net asset balances for reported years.

## 2011 STATE OF FLORIDA CAFR

## SCHEDULE A-2

(Continued)

Fiscal Year						
2007	2008	2009	2010	2011		
\$ 20,684,191	\$ 19,716,442	\$ 17,277,989	\$ 17,102,054	\$ 17,822,003		
2,575,303	2,548,254	2,495,280	2,505,193	2,512,393		
2,450,357	2,253,781	1,698,356	1,785,291	1,880,365		
3,022,536	1,924,526	1,104,758	1,077,836	1,152,222		
757,163	428,804	197,391	158,643	163,553		
1,484,954	1,546,853	1,541,548	1,515,675	1,427,851		
1,112,580	1,043,526	1,063,483	1,872,646	1,886,065		
995,340	940,534	846,851	862,520	876,744		
615,280	670,442	662,059	673,013	647,558		
518,536	657,981	668,137	971,197	1,022,728		
812,617	578,770	(290,686)	555,053	369,459		
(250,925)	(107,535)	(126,527)	(59,943)	(3,450)		
.....	.....	.....	.....	68		
1,356,980	1,377,500	1,469,607	1,352,669	1,318,180		
36,134,912	33,579,878	28,608,246	30,371,847	31,075,739		
10,640	11,270	2,055	9,526	4,353		
(10,006)	(6,425)	(1,694)	(2,374)	(2,732)		
195,226	356,697	336,963	329,341	386,676		
.....	.....	.....	.....	127		
(1,356,980)	(1,377,500)	(1,469,607)	(1,352,669)	(1,318,180)		
(1,161,120)	(1,015,958)	(1,132,283)	(1,016,176)	(929,756)		
\$ 34,973,792	\$ 32,563,920	\$ 27,475,963	\$ 29,355,671	\$ 30,145,983		
\$ 2,249,162	\$ (2,256,609)	\$ (3,582,417)	\$ 2,259,095	\$ 1,212,103		
2,171,337	880,525	(977,691)	1,028,466	1,730,859		
\$ 4,420,499	\$ (1,376,084)	\$ (4,560,108)	\$ 3,287,561	\$ 2,942,962		

**Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
**(in thousands)**  
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>General Fund (Per GASB 54)<sup>(1)</sup>:</b>					
Nonspendable	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
Restricted	.....	.....	.....	.....	.....
Committed	.....	.....	.....	.....	.....
Unassigned	.....	.....	.....	.....	.....
Total general fund <sup>(2)</sup>	.....	.....	.....	.....	.....
Percent change from prior year	.....	.....	.....	.....	.....
<b>Other Governmental Funds (Per GASB 54)<sup>(1)</sup>:</b>					
Nonspendable	.....	.....	.....	.....	.....
Restricted	.....	.....	.....	.....	.....
Committed	.....	.....	.....	.....	.....
Unassigned	.....	.....	.....	.....	.....
Total other governmental funds	.....	.....	.....	.....	.....
<b>Total Governmental Funds<sup>(3)</sup></b>	<b>\$ ..... \$ ..... \$ ..... \$ ..... \$ .....</b>				
Percent change from prior year	.....	.....	.....	.....	.....
<b>General Fund (Prior to GASB 54):</b>					
Reserved for:					
Encumbrances	\$ 44,038	\$ 75,511	\$ 43,172	\$ 78,253	\$ 51,988
Inventories	17,922	20,159	26,024	16,091	19,040
Advances	681	2,722	16,748	12,719	2,712
Long-term receivables	.....	18,389	37,895	78,494	65,974
Capital outlay	.....	170,645	62,855	93,857	243,947
Budget Stabilization Fund	940,890	958,890	966,390	995,805	1,092,081
Working Capital Fund	304,652	416,146	1,473,221	316,562	.....
Other	26,588	2,546	1,437	2,067	2,031
Unreserved	2,001,519	1,964,500	2,426,497	5,257,271	6,572,190
Total general fund <sup>(2)</sup>	3,336,290	3,629,508	5,054,239	6,851,119	8,049,963
Percent change from prior year	-2.61%	8.79%	39.25%	35.55%	17.50%
<b>Other Governmental Funds (Prior to GASB 54):</b>					
Reserved for:					
Encumbrances	171,350	66,499	54,250	719,895	1,214,792
Inventories	40,394	42,556	52,426	52,309	57,319
Advances	241,504	154,178	153,602	173,247	187,722
Long-term receivables	1,578,536	1,730,875	1,680,902	1,461,031	1,586,949
Capital outlay	888,134	2,507,156	2,178,477	1,839,728	2,294,027
Debt service	445,994	79,921	75,732	82,955	75,671
Permanent trust	1,292,801	1,521,518	1,739,038	1,873,866	2,023,738
Working Capital Fund	.....	.....	.....	107,171	.....
Other	101,271	104,639	91,242	.....	158,088
Unreserved, reported in:					
Special revenue funds	2,479,412	2,750,357	3,173,987	3,705,392	4,093,227
Capital projects funds	50,713	6,963	21,741	41,250	28,779
Permanent funds	4	3,099	2,640	1,982	2,649
Total other governmental funds	7,290,113	8,967,761	9,224,037	10,058,826	11,722,961
<b>Total Governmental Funds<sup>(3)</sup></b>	<b>\$ 10,626,403 \$ 12,597,269 \$ 14,278,276 \$ 16,909,945 \$ 19,772,924</b>				
Percent change from prior year	4.60%	18.55%	13.34%	18.43%	16.93%

<sup>(1)</sup> The state implemented GASB Statement 54 in Fiscal Year 2011, which significantly changed the fund balance classifications.

Fiscal year 2011 fund balance classifications are not comparable to prior years' classifications.

<sup>(2)</sup> For additional information about the change in fund balance from fiscal year 2010 to 2011 for the General Fund, refer to the Economic Factors and Fund Analysis sections of the MD&A.

<sup>(3)</sup> See Schedule A-4 for changes in fund balances from year to year.

## 2011 STATE OF FLORIDA CAFR

## SCHEDULE A-3

Fiscal Year								
2007		2008		2009		2010		2011
\$ ..... \$ ..... \$ ..... \$ ..... \$ ..... \$ ..... \$ ..... \$ 76,554								
..... ..... ..... ..... ..... ..... ..... ..... \$ 52,767								
..... ..... ..... ..... ..... ..... ..... ..... 887,891								
..... ..... ..... ..... ..... ..... ..... ..... 2,609,956								
..... ..... ..... ..... ..... ..... ..... ..... 3,627,168								
..... ..... ..... ..... ..... ..... ..... ..... -13.01%								
..... ..... ..... ..... ..... ..... ..... ..... 59,967								
..... ..... ..... ..... ..... ..... ..... ..... 4,565,723								
..... ..... ..... ..... ..... ..... ..... ..... 5,598,547								
..... ..... ..... ..... ..... ..... ..... ..... .....								
..... ..... ..... ..... ..... ..... ..... ..... 10,224,237								
\$ ..... \$ ..... \$ ..... \$ ..... \$ ..... \$ ..... \$ 13,851,405								
..... ..... ..... ..... ..... ..... ..... ..... 1.42%								
\$ 106,922 \$ 104,614 \$ 103,142 \$ 67,330 \$ ..... 25,272 14,628 15,422 11,779 ..... 2,628 2,631 64,390 54,904 ..... 61,373 50,686 168 137 ..... 207,807 177,049 102,685 91,868 ..... 1,248,490 1,353,690 273,874 274,916 ..... ..... ..... ..... ..... ..... ..... ..... ..... 2,597 2,806 616,822 684,063 ..... 5,574,678 2,324,588 2,191,735 2,984,775 ..... 7,229,767 4,030,692 3,368,238 4,169,772 ..... -10.19% -44.25% -16.44% 23.80% .....  135,249 81,220 116,822 190,104 ..... 64,374 75,957 63,167 44,172 ..... 211,340 222,848 374,379 1,064,894 ..... 2,047,689 2,341,669 2,361,484 2,433,814 ..... 3,503,486 3,568,444 2,621,895 2,424,194 ..... 72,890 84,221 142,933 247,039 ..... 2,332,232 1,722,247 ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... ..... 155,275 113,439 245,016 233,217 ..... 3,631,599 3,323,598 2,806,191 2,829,255 ..... 45,703 17,733 5,913 19,072 ..... 3,005 412,246 1,687 2,276 ..... 12,202,842 11,963,622 8,739,487 9,488,037 ..... \$ 19,432,609 \$ 15,994,314 \$ 12,107,725 \$ 13,657,809 \$ ..... -1.72% -17.69% -24.30% 12.80% .....								

**Changes in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
 (Modified Accrual Basis of Accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Revenues</b>					
Taxes	\$ 25,430,688	\$ 26,383,810	\$ 28,912,610	\$ 32,334,920	\$ 35,317,243
Licenses and permits	1,119,032	1,150,823	1,165,928	1,263,525	1,318,920
Fees and charges	1,916,809	1,938,438	2,351,133	2,488,530	3,141,434
Grants and donations	13,456,767	15,246,839	17,254,145	19,270,292	19,567,321
Investment earnings	495,127	1,052,603	210,791	729,118	455,205
Fines, forfeits, settlements and judgments	978,728	721,984	594,967	630,682	804,869
Other revenue	2,461	2,435	214,840	317,190	17,881
Total revenues	43,399,612	46,496,932	50,704,414	57,034,257	60,622,873
<b>Expenditures</b>					
Current:					
General government	5,726,035	5,967,332	6,610,855	6,891,380	7,428,922
Education	14,462,838	14,556,332	15,828,609	16,844,368	17,643,897
Human services	14,957,079	16,616,067	18,083,861	19,810,089	19,755,015
Criminal justice and corrections	2,946,024	2,977,748	3,172,357	3,384,667	3,673,967
Natural resources and environment	1,574,462	1,764,731	1,747,445	3,030,371	4,030,076
Transportation	1,167,957	2,280,017	2,520,378	3,021,534	3,188,602
State courts	277,232	274,951	269,972	360,374	412,793
Capital outlay	3,327,986	2,515,501	2,109,937	2,148,634	2,639,161
Gain/(loss) on disposal of general fixed assets	.....	.....	.....	.....	.....
Debt service:					
Principal retirement	557,533	612,272	674,697	795,954	736,331
Interest and fiscal charges	736,514	768,136	838,163	825,872	835,993
Total expenditures	45,733,660	48,333,087	51,856,274	57,113,243	60,344,757
Excess (deficiency) of revenues over expenditures	(2,334,048)	(1,836,155)	(1,151,860)	(78,986)	278,116
<b>Other Financing Sources (Uses)</b>					
Proceeds of bond issues	1,414,747	1,635,797	1,333,158	1,231,340	1,152,268
Proceeds of refunding bonds	971,060	1,865,860	166,383	2,470,805	426,107
Operating transfers in	11,552,102	13,668,486	12,931,311	13,472,264	10,901,916
Operating transfers out	(10,390,438)	(12,319,538)	(11,552,231)	(12,107,675)	(9,559,920)
Proceeds of financing agreements	1,913	19,043	57,383	44,819	23,751
Payments to refunded bond agent	(971,060)	(1,865,860)	(166,383)	(2,470,805)	(426,107)
Total other financing sources (uses)	2,578,324	3,003,788	2,769,621	2,640,748	2,518,015
Net change in fund balances	\$ 244,276	\$ 1,167,633	\$ 1,617,761	\$ 2,561,762	\$ 2,796,131
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	3.1%	3.0%	3.0%	3.0%	2.7%

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## SCHEDULE A-4

Fiscal Year							
2007		2008		2009		2010	2011
\$ 34,216,240	\$ 31,544,362	\$ 27,693,512	\$ 28,391,262	\$ 29,355,780			
1,349,929	1,300,154	1,261,366	1,396,105	1,462,002			
3,366,361	3,517,982	3,521,215	4,507,761	4,543,730			
19,204,113	19,610,900	22,075,028	28,302,772	30,231,722			
1,418,723	772,331	(164,294)	776,902	495,585			
830,178	818,804	764,621	1,231,959	1,183,431			
73,878	44,062	58,267	54,325	119,190			
<b>60,459,422</b>	<b>57,608,595</b>	<b>55,209,715</b>	<b>64,661,086</b>	<b>67,391,440</b>			
8,351,906	7,684,863	6,633,032	6,830,572	6,750,211			
19,168,847	19,842,205	18,048,122	18,201,985	19,685,314			
20,586,256	21,768,923	23,436,257	27,506,447	29,070,430			
3,912,691	4,173,403	3,949,006	4,293,598	4,436,318			
2,733,006	2,721,304	2,418,472	2,353,990	2,162,579			
3,456,266	3,971,868	3,727,772	3,050,317	3,504,054			
435,531	457,883	403,267	430,980	426,559			
3,005,688	2,636,135	2,523,481	2,171,050	1,239,097			
768	.....	.....	.....	.....			
810,726	860,289	943,493	1,093,865	1,153,973			
842,558	903,637	971,752	1,024,211	1,054,036			
<b>63,304,243</b>	<b>65,020,510</b>	<b>63,054,654</b>	<b>66,957,015</b>	<b>69,482,571</b>			
(2,844,821)	(7,411,915)	(7,844,939)	(2,295,929)	(2,091,131)			
1,110,197	2,571,311	1,901,696	1,705,534	962,333			
401,977	94,760	.....	1,961,934	1,540,777			
9,982,178	9,847,759	9,659,500	10,203,770	9,413,135			
(8,606,547)	(8,456,830)	(8,185,220)	(8,841,850)	(8,091,465)			
18,678	8,984	117,960	9,594	724			
(401,977)	(94,760)	.....	(1,961,934)	(1,540,777)			
2,504,506	3,971,224	3,493,936	3,077,048	2,284,727			
<b>\$ (340,315)</b>	<b>\$ (3,440,691)</b>	<b>\$ (4,351,003)</b>	<b>\$ 781,119</b>	<b>\$ 193,596</b>			

2.7%                  2.8%                  3.2%                  3.3%                  3.2%

**2011 STATE OF FLORIDA CAFR**

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**Revenue Base/Rate**  
**Taxable Sales by Industry**  
**Last Ten Calendar Years**  
(in thousands)

**SCHEDULE B-1**

	Calendar Year				
	2001	2002	2003	2004	2005
Agriculture	\$ 628,505	\$ 1,523,823	\$ 2,113,243	\$ 2,227,668	\$ 2,242,702
Mining	467,097	475,976	487,506	570,630	751,037
Construction	4,143,642	4,339,103	3,896,686	4,186,326	4,881,040
Manufacturing	8,437,418	9,973,528	13,314,291	14,619,140	17,726,833
Transportation	14,730,089	7,297,988	7,585,459	8,735,773	9,548,276
Communications <sup>(1)</sup>	750,000	12,044,981	12,185,447	13,165,323	14,253,972
Wholesale	10,608,768	8,946,443	12,559,558	17,282,512	22,480,523
Retail trade	152,163,684	155,667,230	171,423,008	178,084,155	198,092,426
Finance and insurance	18,198,371	19,188,005	20,805,219	21,102,170	23,697,839
Services	37,507,089	37,431,731	36,410,711	39,880,201	44,364,948
Government	221,225	195,930	264,591	147,522	102,172
Other	2,036,553	1,202,541	1,995,127	1,942,456	1,470,912
Total	<u>\$ 249,892,441</u>	<u>\$ 258,287,279</u>	<u>\$ 283,040,846</u>	<u>\$ 301,943,876</u>	<u>\$ 339,612,680</u>

State direct sales tax rate                          6.0%                          6.0%                          6.0%                          6.0%                          6.0%

Note: The sales tax rate on non-residential electricity is 7.0%. The sales tax rate on communication services (non-residential phone and all cable) has been 6.8% since October 1, 2001. The sales tax rate on amusement machines is 4.0%. As of July 1, 2005, the sales tax requirement for farm equipment changed from a 2.5% tax rate to become exempt from sales tax.

Taxable sales information is available for reporting on a calendar-year basis only.

<sup>(1)</sup> Taxable sales associated with communications services tax.

Source: Florida Department of Revenue

## 2011 STATE OF FLORIDA CAFR

SCHEDULE B-1

Calendar Year					
2006	2007	2008	2009	2010	
\$ 2,076,127	\$ 1,652,121	\$ 1,369,553	\$ 1,169,974	\$ 1,114,023	
849,709	663,193	469,944	320,213	295,621	
5,220,010	3,990,215	3,343,767	2,813,374	2,820,903	
18,880,215	16,277,337	14,056,016	11,479,034	10,878,166	
10,823,084	10,852,559	10,965,637	11,215,193	10,838,604	
15,042,938	15,677,020	15,924,520	16,084,681	17,837,511	
25,890,934	21,307,898	19,899,564	17,283,554	19,514,708	
192,829,254	182,161,612	164,058,988	158,206,374	161,552,218	
18,872,894	20,875,323	21,022,328	27,554,293	27,456,593	
45,374,785	46,330,585	46,799,729	44,001,387	45,724,851	
211,732	274,053	354,338	331,221	307,812	
1,235,108	1,708,341	817,777	757,198	741,152	
\$ 337,306,790	\$ 321,770,257	\$ 299,082,161	\$ 291,216,496	\$ 299,082,162	

6.0% 6.0% 6.0% 6.0% 6.0%

**Principal Sales Tax Payers By Industry**  
**Calendar Years 2010 and 2001**  
(dollars are in thousands)

**SCHEDULE B-2**

Industry	Calendar Year 2010			Calendar Year 2001		
	Number of filers	Sales Tax Liability	Percentage of Total	Number of filers	Sales Tax Liability	Percentage of Total
Agriculture	9,120	\$ 73,868	0.40%	3,806	\$ 23,433	0.15%
Mining	876	19,186	0.10%	902	28,490	0.18%
Construction	9,374	185,486	1.00%	11,817	259,264	1.62%
Manufacturing	33,400	712,272	3.84%	24,251	526,855	3.28%
Transportation, communications, electric, gas, and sanitation	10,040	765,744	4.13%	8,161	1,006,690	6.28%
Wholesale	57,751	1,182,938	6.37%	42,339	665,295	4.15%
Retail trade	271,908	10,668,750	57.48%	312,686	9,661,446	60.23%
Finance and insurance	171,623	1,830,938	9.86%	128,037	1,162,278	7.25%
Services	111,226	3,050,776	16.44%	116,028	2,380,115	14.84%
Government	163	21,704	0.12%	248	191,519	1.19%
Other	4,141	49,070	0.26%	3,586	134,510	0.84%
Total	679,622	\$ 18,560,732	100.00%	651,861	\$ 16,039,895	100.00%

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available for reporting.

The categories presented are intended to provide alternative information regarding the sources of the state's revenue. In addition, some of the categories from the revenue base/rate schedule have been combined in preparing this schedule.

Taxable sales information is available for reporting on a calendar-year basis only.

Source: Florida Department of Revenue

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(dollars in millions, except per capita)**

**SCHEDULE C-1**

Fiscal Year	Governmental Activities						Business-type Activities		Debt as a Percentage of Tax-supported Revenues <sup>(1)</sup>	Debt Per Capita <sup>(2)</sup>
	Full Faith and Credit		Installment Purchases and Capital Leases		Certificates of Participation		Total Governmental	Pledged Revenue	Total Primary Government	
	Pledged Revenue	Capital Leases	Certificates of Participation	Total Governmental	Pledged Revenue	Total Primary Government				
2002	\$ 9,921	\$ 4,688	\$ 125	\$ 101	\$ 14,835	\$ 1,799	\$ 16,634	71.39%	\$ 999.98	
2003	10,586	5,286	132	96	16,100	1,716	17,816	73.70%	1,049.25	
2004	11,170	5,301	182	91	16,744	2,159	18,903	72.41%	1,087.95	
2005	12,035	5,245	174	85	17,539	2,071	19,610	66.37%	1,103.04	
2006	11,476	5,379	144	279	17,278	3,358	20,636	62.56%	1,136.69	
2007	12,004	5,227	135	267	17,633	6,361	23,994	74.28%	1,300.72	
2008	12,939	5,912	111	256	19,218	10,220	29,438	98.97%	1,581.51	
2009	13,417	6,395	207	395	20,414	7,714	28,128	108.18%	1,505.18	
2010	13,782	7,362	70	846	22,060	8,600	30,660	108.16%	1,630.74	
2011	14,067	7,235	53	807	22,162	8,230	30,392	102.83%	1,607.61	

Note: Details regarding the state's outstanding debt can be found in Notes 8 and 9 to the Financial Statements.

<sup>(1)</sup> Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

<sup>(2)</sup> Population data used in calculation of this ratio can be found in Schedule D-1.

**2011 STATE OF FLORIDA CAFR**

**Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(dollars in millions, except per capita)**

**SCHEDULE C-2**

Fiscal Year	General Bonded Debt Outstanding					Net General Bonded Debt Outstanding	Debt as a Percentage of Tax-supported Revenue <sup>(1)</sup>	Per Capita <sup>(2)</sup>			
	Installment Purchases and Capital Leases		Certificates of Participation								
	Full Faith and Credit	Total	Restricted Resources	Total							
2002	\$ 9,921	\$ 125	\$ 101	\$ 10,147	\$ 446	\$ 9,701	41.63%	\$ 583.19			
2003	10,586	132	96	10,814	80	10,734	44.40%	632.17			
2004	11,170	182	91	11,443	76	11,367	43.54%	654.22			
2005	12,035	174	85	12,294	83	12,211	41.33%	686.85			
2006	11,476	144	279	11,899	76	11,823	35.84%	651.24			
2007	12,004	135	267	12,406	73	12,333	38.18%	668.57			
2008	12,939	111	256	13,306	84	13,222	44.45%	710.33			
2009	13,417	207	395	14,019	143	13,876	53.37%	742.53			
2010	13,782	70	846	14,698	247	14,451	50.98%	768.62			
2011	14,067	53	807	14,927	287	14,640	49.53%	774.41			

Note: Details regarding the state's outstanding debt can be found in Notes 8 and 9 to the Financial Statements.

<sup>(1)</sup> Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

<sup>(2)</sup> Population data used in calculation of this ratio can be found in Schedule D-1.

**Legal Debt Margin**  
**Last Ten Fiscal Years**  
(dollars in millions)

**SCHEDULE C-3**

Legal debt margin calculated for fiscal year 2010-2011:

Tax-supported revenues <sup>(1)</sup>	\$ 29,557
Debt limit <sup>(2)</sup>	1,773
Debt applicable to limit:	
Aggregate debt service on tax-supported debt	<u>2,204</u>
Legal debt margin	<u><u>\$ (431)</u></u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009 <sup>(3)</sup>	2010 <sup>(3)</sup>	2011 <sup>(3)</sup>
Debt limit <sup>(2)</sup>	\$ 1,398	\$ 1,450	\$ 1,566	\$ 1,773	\$ 1,979	\$ 1,938	\$ 1,785	\$ 1,560	\$ 1,701	\$ 1,773
Total debt applicable to limit	1,357	1,460	1,552	1,596	1,681	1,772	1,898	2,058	2,095	2,204
Legal debt margin	\$ 41	\$ (10)	\$ 14	\$ 177	\$ 298	\$ 166	\$ (113)	\$ (498)	\$ (394)	\$ (431)
Total net debt applicable to the limit as a percentage of debt limit.	97.07%	100.69%	99.11%	90.02%	84.94%	91.43%	106.33%	131.92%	123.19%	124.28%

<sup>(1)</sup> For purposes of this Schedule C-3, tax-supported revenues are comprised of the general revenues of the state, including primarily sales and use tax receipts, and the specific state tax revenues pledged for payment of debt service. Tax-supported debt is debt secured by the full faith and credit of the state or payable from general revenue or specified state tax sources. As of June 30, 2011, the total outstanding balance of tax-supported debt was approximately \$22,945,300,000.

<sup>(2)</sup> The state debt fiscal responsibility policy, Section 215.98, Florida Statutes, establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the present policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the legislature determines it is necessary to address a critical state emergency. The 6% ratio has been used to determine the debt limit in this schedule.

<sup>(3)</sup> In Fiscal Years 2009, 2010 and 2011, tax-supported debt service exceeded 7% of tax-supported revenues.

# 2011 STATE OF FLORIDA CAFR

**Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(dollars in thousands)**

**SCHEDULE C-4**

The schedules below contain information regarding revenues pledged to repay debt obligations. For each bond type, the schedules disclose Gross Revenue, Operating Expenses, Net Revenue Available for Debt Service, Principal, Interest, and Coverage Ratio. The bond types with operating expenses are considered self-supporting debt and are paid from the associated facilities being financed. If operating expenses are not shown, the bond type is considered to be Net Tax Supported Debt and serviced by dedicated tax or fee revenues.

Year Ended 6/30	Revenue <sup>(1)</sup>	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Principal	Interest <sup>(2)</sup>	
<b><i>Florida Turnpike</i></b>						
2002	\$ 421,897	\$ 121,021	\$ 300,876	\$ 49,955	\$ 92,655	2.11
2003	462,001	130,984	331,017	52,330	86,137	2.39
2004	534,755	153,485	381,270	58,615	106,783	2.31
2005	598,762	157,570	441,192	70,910	103,940	2.52
2006	647,959	155,357	492,602	60,135	98,536	3.10
2007	681,615	175,386	506,229	65,610	102,844	3.01
2008	650,743	184,218	466,525	72,665	118,657	2.44
2009	604,897	190,603	414,294	81,660	121,485	2.04
2010	611,596	172,422	439,174	91,405	132,816	1.96
2011	611,946	180,060	431,886	99,000	144,061	1.78
<b><i>Save Our Coast</i></b>						
2002	127,600	.....	127,600	17,095	8,255	5.03
2003	162,400	.....	162,400	19,025	6,623	6.33
2004	213,600	.....	213,600	18,735	6,099	8.60
2005	273,000	.....	273,000	19,595	5,370	10.94
2006	329,300	.....	329,300	20,490	4,680	13.08
2007	246,100	.....	246,100	21,720	3,655	9.70
2008	158,607	.....	158,607	19,795	2,646	7.07
2009	91,104	.....	91,104	13,950	1,657	5.84
2010	85,749	.....	85,749	9,450	937	8.26
2011	83,150	.....	83,150	5,985	455	12.91
<b><i>Florida Forever/Preservation 2000/Everglades</i></b>						
2002	915,900	.....	915,900	159,185	129,697	3.17
2003	1,165,800	.....	1,165,800	169,255	135,310	3.83
2004	1,533,100	.....	1,533,100	186,045	148,929	4.58
2005	1,960,100	.....	1,960,100	194,640	140,275	5.85
2006	2,363,800	.....	2,363,800	213,378	135,020	6.78
2007	1,776,500	.....	1,776,500	230,120	137,480	4.83
2008	1,138,600	.....	1,138,600	246,045	135,064	2.99
2009	655,500	.....	655,500	272,975	140,919	1.58
2010	622,282	.....	622,282	275,925	127,008	1.54
2011	669,440	.....	669,440	308,085	125,948	1.54
<b><i>Lottery Education</i> <sup>(3)</sup></b>						
2002	926,488	.....	926,488	52,840	74,691	7.26
2003	1,035,178	.....	1,035,178	63,140	92,920	6.63
2004	1,051,658	.....	1,051,658	77,975	100,797	5.88
2005	1,103,633	.....	1,103,633	84,255	102,638	5.91
2006	1,224,651	.....	1,224,651	95,430	106,922	6.05
2007	1,263,272	.....	1,263,272	103,920	105,579	6.03
2008	1,283,414	.....	1,283,414	119,030	119,451	5.38
2009	1,287,856	.....	1,287,856	139,955	145,166	4.52
2010	1,247,150	.....	1,247,150	156,660	145,787	4.12
2011	1,184,000	.....	1,184,000	168,607	146,329	3.76

**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

## SCHEDULE C-4

Year Ended 6/30	Revenue <sup>(1)</sup>	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Principal	Interest <sup>(2)</sup>	
<b>Alligator Alley</b>						
2002	12,468	4,663	7,805	955	2,711	2.13
2003	13,023	5,147	7,876	1,010	2,658	2.15
2004	14,118	5,297	8,821	1,070	2,597	2.41
2005	14,437	5,114	9,323	1,135	2,533	2.54
2006	18,968	6,016	12,952	1,205	2,462	3.53
2007	23,538	6,673	16,865	1,335	1,854	5.29
2008	21,962	5,547	16,415	1,345	2,105	4.76
2009	19,384	7,292	12,092	1,395	2,051	3.51
2010	19,948	6,360	13,588	1,460	1,988	3.94
2011	19,737	7,059	12,678	1,525	1,923	3.68
<b>State Infrastructure Bank</b>						
2007	39,602	.....	39,602	5,195	3,000	4.83
2008	43,550	.....	43,550	5,915	5,785	3.72
2009	48,924	.....	48,924	5,390	5,543	4.47
2010	48,924	.....	48,924	7,075	5,296	3.95
2011	56,698	.....	56,698	8,265	4,962	4.29
<b>Florida Hurricane Catastrophe Fund Finance Corporation</b>						
2007	1,580,008	15,108	1,564,900	.....	113,300	13.81
2008	1,886,868	15,639	1,871,229	.....	311,397	6.01
2009	1,570,615	16,224	1,554,391	309,673	199,167	3.05
2010	1,798,380	15,467	1,782,913	256,655	115,739	4.79
2011	1,714,728	15,644	1,699,084	269,485	122,919	4.33
<b>State University System Bonds</b>						
2011	37,798	.....	37,798	16,240	11,306	1.37
<b>University Auxiliary Bonds</b>						
<b>Parking System Revenue Bonds</b>						
<b>Florida International University</b>						
2011	10,009	3,212	6,797	2,230	2,165	1.55
<b>University of South Florida</b>						
2011	12,544	7,277	5,267	1,990	1,570	1.48
<b>Florida Agricultural &amp; Mechanical University</b>						
2011	2,628	1,338	1,290	155	77	5.62
<b>University of Florida</b>						
2011	12,276	7,388	4,888	1,905	1,225	1.56
<b>Florida Atlantic University</b>						
2011	5,708	2,233	3,475	750	508	2.76
<b>University of Central Florida</b>						
2011	16,181	3,379	12,801	2,235	1,567	3.28
<b>Florida State University</b>						
2011	9,857	2,145	7,712	2,605	1,901	1.71      Continues

**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

**SCHEDULE C-4**

(Continued)

Year Ended 6/30	Revenue <sup>(1)</sup>	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Principal	Interest <sup>(2)</sup>	
<b>Housing System Revenue Bonds</b>						
<i>Florida International University</i>						
2011	23,518	12,418	11,099	3,430	3,694	1.56
<i>University of Florida</i>						
2011	44,885	27,209	17,676	2,235	2,625	3.64
<i>Florida Atlantic University</i>						
2011	14,802	6,119	8,683	2,405	3,357	1.51
<i>University of Central Florida</i>						
2011	22,872	11,509	11,363	2,740	3,766	1.75
<i>Florida State University</i>						
2011	32,671	16,925	15,745	3,215	5,628	1.78
<b>Student Health and Wellness Center Revenue Bonds</b>						
<i>University of Central Florida</i>						
2011	10,856	.....	10,856	320	299	17.55
<i>Florida State University</i>						
2011	8,734	.....	8,734	.....	.....	3.67 <sup>(4)</sup>
<b>Bookstore Revenue Bonds</b>						
<i>University of Central Florida</i>						
2011	1,978	434	1,543	195	95	5.31
<b>Student Services Center Revenue Bonds</b>						
<i>Florida Agricultural &amp; Mechanical University</i>						
2011	2,603	1,396	1,207	365	159	2.29
<b>Water Pollution Control Bonds</b>						
2011	96,063	.....	96,063	21,285	19,019	2.38
<b>Inland Protection Bonds</b>						
2011	211,533	.....	211,533	5,080	4,695	21.64

<sup>(1)</sup> Refer to Note 8A.2. for information on the sources of pledged revenues.<sup>(2)</sup> Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.<sup>(3)</sup> Source Department of Lottery, Audited Financial Statements.<sup>(4)</sup> Coverage shown based on maximum annual debt service of \$2,382,950 for illustrative purposes.

Source: Florida State Board of Administration, Division of Bond Finance

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Year	Population			Personal Income (in millions)		
	Florida - April 1	Percent Change from Prior Year	U.S. - July 1	Percent Change from Prior Year	Florida	
					U.S.	Florida
2002	16,634,256	2.02%	287,625,193	0.90%	\$ 508,400	\$ 9,054,702
2003	16,979,706	2.08%	290,107,933	0.86%	531,218	9,369,072
2004	17,374,824	2.33%	292,805,298	0.93%	582,766	9,928,790
2005	17,778,156	2.32%	295,516,599	0.93%	633,193	10,476,669
2006	18,154,475	2.12%	298,379,912	0.97%	690,268	11,256,516
2007	18,446,768	1.61%	301,231,207	0.96%	721,052	11,900,562
2008	18,613,905	0.91%	304,093,966	0.95%	740,312	12,451,599
2009	18,687,425	0.39%	306,771,529	0.88%	697,362	11,916,808
2010	18,801,310	0.61%	309,330,219	0.83%	720,222	12,357,113
2011	18,905,048	0.55%	311,591,917	0.73%	753,575	12,961,658

<sup>(1)</sup> Unemployment rates are annualized (average of monthly rates).

<sup>(2)</sup> School enrollment is by state fiscal year and other data are by calendar year, April 1, or July 1.

Note: Historical data are from the US Department of Commerce, University of Florida, the US Department of Labor, Florida Department of Education, and Florida Demographic Estimating Conference.

Forecast data are from Florida Demographic Estimating Conference, November 2011; National and Florida Economic Estimating Conferences, December 2011.

Sources: Florida Legislature, Florida Department of Education

#### State of Florida Population by Age

Age Group	2000 Census	Percent	2010 Census	Percent	2020 Projection	Percent
0 - 14	3,034,656	18.99	3,284,608	17.47	3,538,354	16.83
15 - 24	1,942,430	12.15	2,457,140	13.07	2,554,135	12.15
25 - 44	4,569,515	28.59	4,720,799	25.11	5,186,297	24.67
45 - 64	3,628,573	22.70	5,079,161	27.01	5,437,638	25.87
65 and Over	2,807,650	17.57	3,259,602	17.34	4,305,218	20.48
Total	15,982,824	100.00	18,801,310	100.00	21,021,642	100.00

Source: Forecast from November 2011 Florida Demographic Estimating Conference adjusted by age percentages from Florida Population Studies Volume 44, Bulletin 160, December 2011, University of Florida, Bureau of Economic and Business Research. Year 2000 Census data incorporates adjustments for age misreporting prepared by the University of Florida, Bureau of Economic and Business Research.

<u>Per Capita Personal Income</u>	<u>Unemployment Rate<sup>(1)</sup></u>	<u>Median Age</u>	<u>Public School Enrollment<sup>(2)</sup></u>
\$ 30,563	\$ 31,481	Florida 5.7%	U.S. 5.8%
31,285	32,295	Florida 5.3%	U.S. 6.0%
33,541	33,909	Florida 4.7%	U.S. 5.5%
35,616	35,452	Florida 3.8%	U.S. 5.1%
38,022	37,725	Florida 3.4%	U.S. 4.6%
39,088	39,506	Florida 4.1%	U.S. 4.6%
39,772	40,947	Florida 6.2%	U.S. 5.8%
37,317	38,846	Florida 10.3%	U.S. 9.4%
38,307	39,948	Florida 11.9%	U.S. 9.6%
39,861	41,598	Florida 10.9%	U.S. 9.0%
		Florida	Florida
		39.4	2,500,161
		39.4	2,539,932
		39.6	2,596,524
		39.7	2,634,223
		39.9	2,668,337
		39.9	2,662,701
		40.1	2,652,684
		40.4	2,628,754
		40.6	2,634,382
		40.9	2,643,396

**Industry Sector Employment  
For Calendar Years 2010 and 2001  
(in thousands)**

**SCHEDULE D-2**

Industry	2010		2001	
	Employment	Percentage of Total Employment <sup>(1)</sup>	Employment	Percentage of Total Employment <sup>(1)</sup>
		Employment		Employment
Health care and social assistance	928	12.78%	767	10.56%
Retail trade	923	12.72%	943	12.99%
Local government	755	10.40%	690	9.50%
Accommodation and food services	735	10.13%	679	9.35%
Administrative and waste services	527	7.26%	545	7.51%
Professional and technical services	431	5.94%	373	5.14%
Construction	346	4.77%	495	6.82%
Finance and insurance	319	4.39%	324	4.46%
Manufacturing	307	4.23%	455	6.27%
Wholesale trade	307	4.23%	316	4.35%
Total	5,578	76.84%	5,587	76.96%

Note: Privacy requirements prevent the state from obtaining and reporting specific information about the largest employers in the state's jurisdiction. Reporting by industry reveals the degree of concentration in the state's total employment base.

In 2010, Florida's economy began showing improvement from the recent recession and had positive annual job gains for the first time since July 2007 (over 4 years). Florida's greatest annual job loss rate during the recent recession was in March 2009 at -7.0 percent but by December 2010 the job growth rate had improved to +0.4 percent. In 2010 the only major industry that did not lose jobs in any month over the year was private education and health services. Towards the end of 2010, the trade, transportation, and utilities; professional and business services; leisure and hospitality; and other services industries turned to having positive annual job growth. The industries losing the most jobs in December 2010 over the year were: construction (-24,100 jobs) and manufacturing (-7,000 jobs).

<sup>(1)</sup> "Employment" is being calculated based on average total employment by industry for each calendar year. Ratios of "Total" employment are based on the following:

	2010	2001
Total non-agricultural employment (in thousands)	7,175	7,160
Total agricultural employment (in thousands)	84	100
Total employment	<u>7,259</u>	<u>7,260</u>

Sources: Florida Department of Economic Opportunity, Labor Market Statistics Center, Current Employment Statistics Program Quarterly Census of Employment and Wages Program, and the University of Florida.

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**2011 STATE OF FLORIDA CAFR**

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**Full-time Equivalent (FTE) State Employees by Function  
Last Ten Fiscal Years**

**SCHEDULE E-1**

Function	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Financial administration	13,175	15,385	15,453	15,498	15,416	15,551	15,409
Streets and highways	8,467	7,606	7,356	7,173	7,074	7,030	7,156
Public welfare	22,463	21,647	19,369	17,194	12,673	12,458	12,507
Police protection	4,226	4,328	5,270	5,314	5,342	5,355	5,248
Natural resources	8,418	8,489	7,711	7,691	7,698	7,791	7,761
Health	14,566	15,014	15,197	15,583	15,959	16,434	16,388
Housing <sup>(1)</sup>	.....	.....	29	27	28	29	28
Community development	337	295	291	277	292	303	284
Criminal justice and corrections	36,430	37,471	37,710	38,870	39,555	40,756	40,558
Utility and transportation	370	369	346	317	315	296	323
Employee security	1,539	1,445	1,307	1,345	1,315	1,272	1,243
Education	2,205	2,386	2,367	2,386	2,461	2,481	2,499
State courts	1,792	1,953	2,735	3,869	4,137	4,457	4,401
Other	2,042	1,980	2,024	2,007	2,154	2,140	2,059
Total	116,030	118,368	117,165	117,551	114,419	116,353	115,864

Note: FTE's are calculated based on a 40 hour work week. A numerical designator is based on 100% for a full-time employee (i.e. 1.00 point or FTE). All others are pro-rated accordingly.

<sup>(1)</sup> New function added in fiscal year 2004 for reporting purposes.

Sources: Florida Legislature, Florida State Courts System, Florida State Board of Administration, Florida Justice Administration Commission, Florida Department of Management Services

Fiscal Year		
2009	2010	2011
15,510	15,542	15,212
7,229	7,048	6,751
12,528	12,723	12,278
5,137	5,079	4,981
7,773	7,687	7,481
17,105	16,917	16,303
27	28	31
289	256	278
40,555	41,229	39,051
321	315	301
1,269	1,439	1,481
2,359	2,251	2,272
4,113	4,117	4,009
1,908	1,802	1,724
<b>116,123</b>	<b>116,433</b>	<b>112,153</b>

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>General government</b>					
<b>Department of Revenue</b>					
Total administered taxes ( <i>in millions</i> )	26,369	27,811	30,756	34,742	38,736
<b>Department of Management Services</b> <sup>(1)</sup>					
Number of retired members covered	198,303	208,680	224,813	236,974	250,496
<b>Education</b>					
<b>Universities</b>					
University enrollments	251,984	262,354	271,337	277,583	287,375
Degrees awarded	52,306	54,863	58,554	59,771	61,215
<b>Human services</b>					
<b>Department of Health</b> <sup>(2)</sup>					
Number of live births	205,580	212,243	218,045	226,219	237,166
Number of deaths	167,702	168,459	168,364	170,300	169,365
<b>Department of Children and Families</b>					
Food stamp recipients	983,511	1,042,418	1,238,517	1,286,530	1,248,359
Food stamp households	466,894	505,452	602,323	629,685	623,270
<b>Criminal justice and corrections</b>					
<b>Department of Corrections</b>					
Inmate admissions	26,049	28,882	31,896	32,204	35,098
Community supervision admissions	97,284	99,123	100,557	99,616	103,387
Facility population	73,553	77,316	81,974	84,901	88,576
<b>Natural resources and environment</b>					
<b>Department of Environmental Protection</b>					
State park visitations	17,722,275	18,240,624	19,106,966	17,296,273	18,174,879
<b>Florida Fish and Wildlife Conservation Commission</b>					
Fishing and hunting licenses holders <sup>(3)</sup>	1,272,549	1,221,884	1,272,549	1,221,884	1,471,395
<b>Transportation</b>					
<b>Department of Transportation</b>					
Vehicles registered	15,798,757	17,249,305	17,948,464	18,762,439	21,773,396
Titles issued	5,244,493	5,127,520	6,477,928	6,829,690	7,181,742
Traffic crashes <sup>(2)</sup>	250,470	243,294	252,902	268,605	256,200
Daily vehicle miles traveled ( <i>in thousands</i> )	267,229	273,744	280,754	292,398	300,010
<b>State courts</b>					
<b>State Courts System</b>					
Number of cases filed/added:					
Circuit criminal defendants	179,757	182,893	193,870	199,009	219,157
County criminal	499,339	489,437	489,422	485,864	509,525
County civil	444,703	459,959	473,660	425,012	479,514
Traffic	454,696	487,413	523,072	510,513	571,858
Family court	371,961	369,652	378,429	365,990	365,468
Circuit civil	186,218	184,858	178,970	162,116	164,245
Probate	96,712	101,736	108,183	109,505	111,583

Note: Items denoted as unavailable have not been calculated for reporting as of the date of this CAFR.

<sup>(1)</sup> The Florida Retirement System includes retirees from six major employers.  
(The State of Florida, State University System, Counties, School Boards, Community Colleges, and Cities & Special Districts)

<sup>(2)</sup> Information for this agency and/or item is only reported by calendar year. Information reported in each column represents calendar year ended December 31

<sup>(3)</sup> US Fish and Wildlife Service used fiscal year 2002 and 2003 apportionment calculations for 2004 and 2005, respectively.

Sources: Florida Department of Revenue, Florida Retirement System, Florida Board of Governors, Florida Department of Health, Florida Department of Children and Families, Florida Department of Corrections, Florida Department of Environmental Protection, U.S. Fish & Wildlife Service, Florida Department of Transportation, Florida State Courts

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SCHEDULE E-2

Fiscal Year				
2007	2008	2009	2010	2011
37,477	34,152	30,140	29,677	31,391
263,198	274,842	288,216	302,978	Unavailable
294,016 64,778	301,135 68,423	302,513 70,616	312,259 73,579	321,503 76,021
239,120 167,708	231,417 170,473	221,391 169,854	214,519 172,509	Unavailable Unavailable
1,266,308 650,277	1,523,273 783,282	2,109,289 1,084,754	2,726,167 1,452,191	3,170,445 1,725,855
37,864 107,203 92,844	41,054 107,861 98,192	39,354 100,619 100,894	36,992 94,387 102,232	34,992 92,258 102,319
19,516,852	20,737,052	21,458,588	20,110,021	20,442,212
1,538,965	1,588,227	1,605,617	1,576,518	1,534,518
22,126,592 6,668,861 256,206 303,603	22,125,361 5,920,326 243,342 305,253	20,918,645 4,901,295 235,778 293,858	19,496,005 5,104,919 235,461 286,902	19,197,024 5,361,258 Unavailable 288,007
230,417 523,274 541,823 604,054 356,485 226,288 105,486	235,451 515,552 615,290 618,506 350,477 418,579 102,532	209,593 464,090 503,314 538,406 335,854 547,194 98,345	201,785 433,437 483,521 500,316 347,049 490,092 98,553	196,453 405,248 459,538 483,644 349,222 293,415 100,849

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**Capital Assets by Function  
Last Ten Fiscal Years**

**SCHEDULE E-3**

	Fiscal Year				
	2002	2003	2004	2005	2006
<b><u>General government</u></b>					
<b>Department of Management Services:</b>					
Buildings	90	90	90	90	85
<b><u>Education</u></b>					
<b>Universities and colleges:</b> <sup>(1)</sup>					
Assignable square feet (in thousands)	37,186	39,666	40,114	40,495	41,779
<b><u>Human services</u></b>					
<b>Department of Health</b>					
Buildings <sup>(2)</sup>	42	42	45	48	49
Vehicles	129	136	179	212	209
<b>Department of Children and Families</b>					
Buildings	491	507	514	515	227
<b><u>Criminal justice and corrections</u></b>					
<b>Department of Corrections</b>					
Correctional institutions	56	56	58	59	59
Work camps, forestry camps	36	36	35	37	40
Work release centers	24	24	23	26	30
Other facilities	5	7	7	6	6
<b><u>Natural resources and environment</u></b>					
<b>Division of Recreation and Parks</b>					
Number of state parks	155	156	157	158	159
Acres of state parks	570,576	593,459	603,953	730,573	723,852
<b>Department of Environmental Protection</b>					
Acres of land owned <sup>(3)</sup>	3,836,193	4,035,686	4,143,860	4,257,103	4,316,161
<b>Florida Fish and Wildlife Conservation Commission</b>					
Vehicles	1,494	1,637	1,591	1,562	1,514
<b><u>Transportation</u></b>					
<b>Department of Transportation</b>					
Highway lane miles	40,451	40,696	40,970	41,295	41,613
Vehicles	5,868	5,679	4,872	5,709	5,841
Buildings	1,662	1,624	1,619	1,584	1,578
<b><u>State courts</u></b>					
<b>State Courts System</b>					
Machinery and equipment	Unavailable	4,646	4,496	4,800	7,825

Note: Items noted as Unavailable have not been determined as of the publication date.

<sup>(1)</sup> Universities and colleges are presented in the CAFR as discretely presented component units of the state.

<sup>(2)</sup> The building count for this agency has been revised to reflect only those structures that allow occupancy.

<sup>(3)</sup> Acreage information includes a cumulative total of acres acquired through programs such as Preservation 2000, Florida Forever, Environmentally Endangered Lands, Conservation and Recreation Lands, Land Acquisition Trust Fund, Save Our Coast Trust Fund, Farm Bill and by donations and exchanges. The Water Management Districts have acquired and hold title to lands through other programs that are not included in this schedule.

Sources: Florida Department of Management Services, Florida Department of Education, Florida Department of Health, Florida Department of Corrections, Florida Division of Recreation and Parks, Florida Department of Transportation, Florida Department of Financial Services, Division of Risk Management, Florida State Courts System, Florida Fish & Wildlife Conservation

## 2011 STATE OF FLORIDA CAFR

## SCHEDULE E-3

Fiscal Year				
2007	2008	2009	2010	2011
85	85	85	85	84
45,460	49,990	50,702	51,787	54,488
49 235	53 319	51 300	57 327	57 328
211	211	211	223	Unavailable
60 41 30 6	60 42 32 5	78 42 34 5	62 43 34 5	61 41 34 4
159 724,629	161 698,648	161 700,296	160 702,730	160 704,139
4,429,484	4,500,719	4,521,508	4,535,931	4,563,632
1,519	1,549	1,520	1,669	1,637
42,022 5,445 1,622	42,181 5,313 1,691	42,542 5,125 1,719	42,711 5,125 1,774	42,883 4,683 1,745
8,608	9,335	9,400	9,760	9,697

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